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Least Developed Countries: Economic Characteristics and Stake in North-South Issues

A Research Paper

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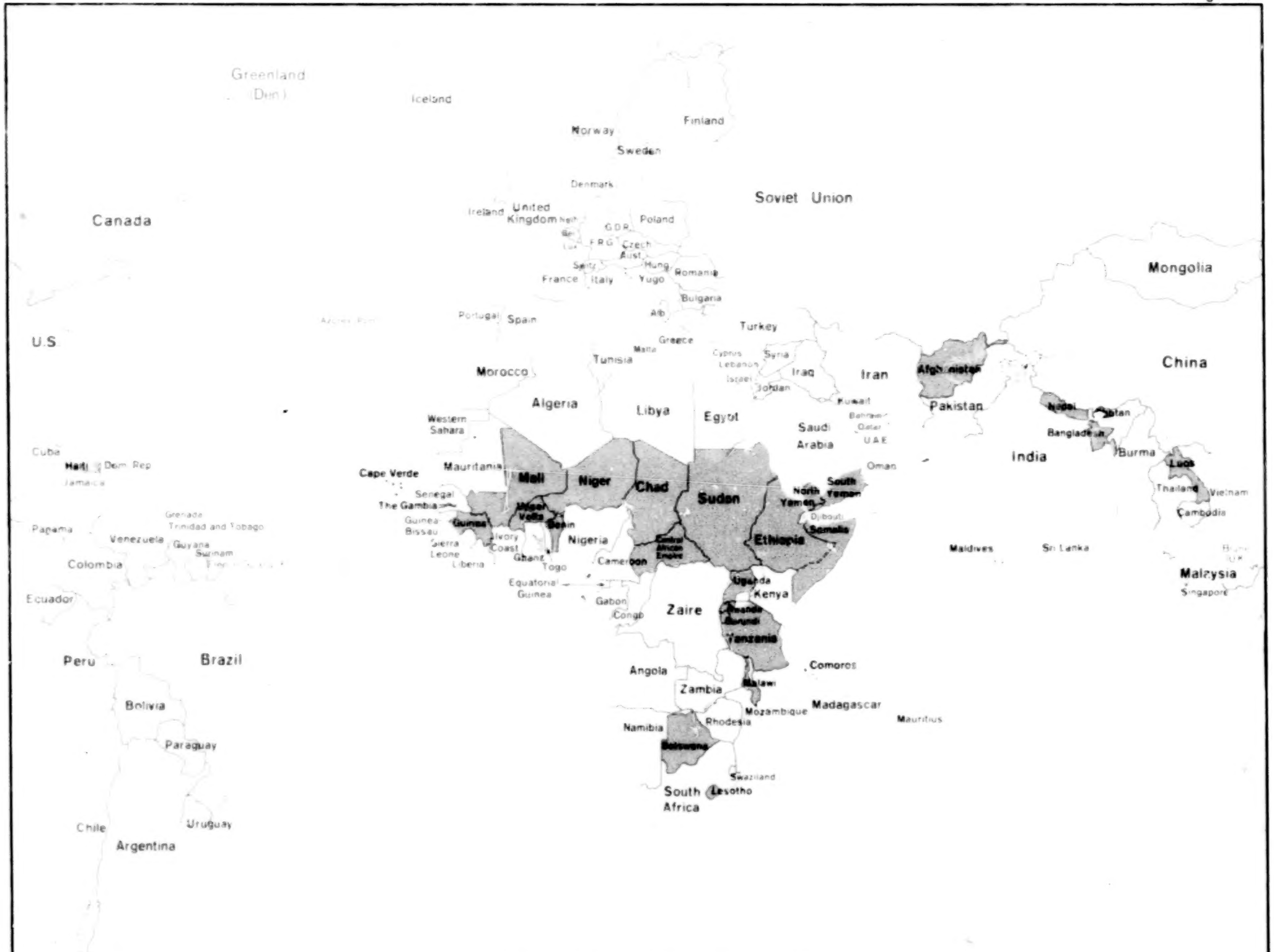
Least Developed Countries

Figure 1



Note: Although Western Samoa is among the Least Developed Countries, it is not indicated on this map.

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Least Developed Countries: Economic Characteristics and Stake in North-South Issues

Central Intelligence Agency
National Foreign Assessment Center

May 1978

Key Judgments

The least developed countries (LLDCs) were officially recognized as a group in 1971, but the criteria on which they were selected pertain to 1968 (figure 1). Of the 30 LLDCs, seven—Botswana, The Gambia, Sudan, Uganda, Western Samoa, and the Yemens have climbed into what until recently was known as middle-income status.[1] A few others—Guinea, Haiti, Lesotho, and Malawi—have attractive growth prospects. In most cases, the dynamism has come from substantially improved export earnings for both traditional and new product lines, from openness to foreign support, and from internal policies that encouraged higher saving rates where possible.

Most LLDC economies are still extremely poor and growing at rates only slightly better than those for population. Living standards are low and tempered at the individual level only by mutual assistance within the traditional extended families and by more evenly distributed incomes among the poorest than in more advanced countries. On the other hand, the heightened concern of donors for this particular group has helped tide it over the worst of the 1973-75 oil crisis and global recession.

The fragmentary data available to gauge self-help suggest that the LLDCs—with considerable outside support—are targeting their spending on broad areas that will most stimulate development. Most governments in the group do not make very large military expenditures, even in instances in which the armed forces are in power or have a substantial role in public services or construction. Education, social services, and the support of agriculture seem to receive their due, and such changes as have occurred in tax systems point to less regressiveness.

[1] As late as February 1977, the middle-income LDCs were defined by the World Bank as those with per capita GNPs of more than $200 and less than $600 in 1976. In 1977, the Bank revised its categories to raise the low-income LDC ceiling to $265. Botswana, South Yemen, and Western Samoa would still be above the ceiling, while North Yemen and Sudan are now near the cutoff point. Botswana and Western Samoa have already been proposed for exclusion from the LLDC list by the UN Secretariat.

Despite this internal focus, however, a variety of external factors tends to divert the attention of the LLDCs from the development process. Relations with neighboring countries are not always healthy, an important point in light of the landlocked status of *15* of the LLDCs. The North-South dialogue, while opening opportunities to further educate donors to the nature and depth of development obstacles among the poorest, also raises an extensive list of issues, several of which have only remote significance for the LLDCs at this stage. Thus, even the debt and Common Fund discussions promise only relatively low yields to them in any plausible scenario. Discussions on topics such as technology transfer and private investment are largely irrelevant but distracting.

Now, following several years working experience with the concept of LLDCs and the adoption of a basic human needs strategy in the US aid program, there is ample reason to question whether particular universal groupings really assist in targeting resources where they are most needed. On balance, there does not appear to be as much justification for tightly defined country groups as the creation of the LLDC nomenclature originally suggested. Although the original criteria—per capita income, level of industrialization, and literacy—were significant in their own right as indicators of poverty or backwardness, they excluded countries that have very large support needs and large numbers of individuals who happened to be living in the "wrong" countries. The most striking examples, of course, were India, Indonesia, Pakistan, and Burma, which together have vastly more of the world's poorest than the LLDCs taken together.

Least Developed Countries: Economic Characteristics and Stake in North-South Issues

BACKGROUND

The identification of a group of countries as "least developed" grew out of the efforts of the United Nations and the Organization for Economic Cooperation and Development (OECD) to disaggregate such heterogeneous blocs as "the Third World" and "the non-OPEC LDCs" for aid operations and the formulation of development policies. The particular grouping of the LLDCs has a lineage that extends back to early rumblings at the UN Conference on Trade and Development (UNCTAD) II (1968), with formal recognition at a UN General Assembly in 1971. The criteria for inclusion were per capita incomes of $100 or less in 1968, manufacturing shares in GNP of 10 percent or less (also as of 1968), and literacy rates in 1960 of 20 percent or less for persons over 15 years of age. At the time, these criteria yielded a list of 29 countries, including:

Afghanistan	Maldives
Bangladesh	Mali
Benin	Nepal
Bhutan	Niger
Botswana	North Yemen
Burundi	Rwanda
Central African Empire	Sikkim [1]
Chad	Somalia
Ethiopia	South Yemen
The Gambia	Sudan
Guinea	Tanzania
Haiti	Uganda
Laos	Upper Volta
Lesotho	Western Samoa
Malawi	

Since then, Sikkim has been absorbed as an Indian state, and Cape Verde and Comoros have been added to the list.

[1] Because of the change in its political status, Sikkim is not included in the data base of this project.

Both the UN and the OECD have continued their monitoring of growth and development in the LLDCs. The recent surge of interest in this group, however, derives largely from the North-South dialogue and increased donor-country concern for meeting basic human needs. The LDC caucus known as the Group of 77 (G-77) highlighted the problems of the LLDCs in their various presentations as a means of assuring bloc unity in discussions with the developed countries, a tactic that was picked up and played heavily in the now defunct Conference on International Economic Cooperation (CIEC) meetings.

By a strange twist, these political tracks have led to the position that the LLDCs were only distinctive by degree and not by the nature of their problems. That is, many issues that affected the Third World were presented as simply being especially severe in the LLDCs. Thus, if debt were a global LDC problem, it must be even more of a problem for the LLDCs. Building on this shaky base, the case was occasionally made that concessions on points of the overall G-77 program for a new economic order should be parceled out first to the LLDCs. This tactic appealed to the Third World by casting the developed countries in the unpleasant position of appearing not to want to help the very poorest, even when the measurable direct costs were fairly small.

The particular problems of the LLDCs will continue to be discussed in international forums. Their problems were last examined at the ministerial meeting of UNCTAD (6-10 March) in the context of the broader LDC issues of debt relief and the Common Fund. In the interest of providing a better base for review of the LLDCs, this

report describes their principal economic characteristics and outlines some important distinctions among them in domestic and foreign policies. Drawing on this information, analysis is provided of the LLDC stake in several key issues of the North-South dialogue.

ECONOMIC CHARACTERISTICS

The Resource Base

Based on location, geography, and population size alone, there are substantial differences in development potential among the LLDCs. Fifteen of the countries in this group (mostly in interior Africa) are landlocked, substantially cut off from the broader currents of the international economy and politics, and burdened with fairly large transport costs for their foreign trade. Most LLDCs are at a considerable distance from major developed markets. For **Haiti** and several of the countries in West Africa, however, the distance to markets is not especially great and there is good access to regular shipping lanes. Two of the island economies—Haiti and **Western Samoa**—are close enough to other economic centers to provide surplus labor. In addition, **Botswana Lesotho,** and **Malawi** benefit from their proximity to the South African economy.

Quite a few of the LLDCs are fairly large in area by any standards (see table 1). **Sudan** is almost twice the size of Alaska, six other LLDCs in Africa are larger than Texas, and even **Upper Volta** is bigger than Oregon. From here, however, the list quickly tails off. Eleven of the LLDCs, for example, are less than half as large as Oregon and two are smaller than Rhode Island. Although we know remarkably little about the mineral resources of the LLDCs (except that most do not include especially promising geology), we could still guess that the relatively larger countries have proportionally greater prospects of finding commercially exploitable resources. Thus far, however, the most promising are **Botswana, Guinea, and Haiti.**

Somewhat more generally characteristic are small populations. Only 11 of the 30 countries have populations greater than five million. **Bangladesh**—a nation whose features link it more closely to the rest of South Asia than to any such broad grouping as LLDCs—is the most striking exception, with some 80 million people. Even such other relatively populous LLDCs as **Afghanistan, Ethiopia, Sudan,** and **Tanzania,** however, have rather low population densities. By and large, then, allowing that concentrations of population are a problem in the island LLDCs and some LLDC cities, these countries share a pattern of small market—or potential market—size that does not derive solely from low incomes. Indeed, in an engineering sense, there are quite a few basic manufacturing activities that would not seem sensible on size criteria alone for such small markets.

Land use focuses the economic attention of most of these countries. On average, agricul-

Table 1

Least Developed Countries: Population and Land Area

	Midyear Population (Millions)	Land Area (Thousand Sq Kilometers)
Afghanistan	19.6	647.5
Bangladesh	80.4	142.8
Benin	3.2	175.0
Bhutan	1.2	46.6
Botswana	0.7	569.8
Burundi	3.9	27.9
Cape Verde	0.3	4.0
Central African Empire	1.8	615.1
Chad	4.1	1,263.7
Comoros	0.3	2.2
Ethiopia	28.7	1,023.0
Gambia	0.5	10.5
Guinea	4.5	246.0
Haiti	4.6	27.7
Laos	3.5	235.7
Lesotho	1.1	30.3
Malawi	5.6	94.1
Maldives	0.1	0.3
Mali	5.7	1,185.0
Nepal	12.9	141.4
Niger	4.7	1,168.2
North Yemen	6.7	189.8
Rwanda	4.3	26.3
Somalia	3.2	699.3
South Yemen	1.7	160.3
Sudan	18.2	2,505.8
Tanzania	15.6	941.0
Uganda	11.9	236.6
Upper Volta	6.1	269.7
Western Samoa	0.2	2.8

ture—largely subsistence farming—contributes about 44 percent to GDP but employs 80 percent of the population.[3] Most LLDCs suffer from a shortage of arable land. In many cases, however, even arable farmland is not being used to its potential; in some instances less than 10 percent is fully utilized at any time. Production of principal cash crops—especially sugar, coffee, and rice—is erratic because of the low level of technology and the consequent importance of weather and disease in influencing yields. Despite the concentration on subsistence farming, the group does not do particularly well in meeting its own needs; more than two-thirds of the LLDCs are food-deficit countries. Even here, there are notable exceptions. Sudan, for instance, possessing vast tracts of fertile, virgin land to which Arab investors have been attracted, promises to become a leading exporter of sugar—a nontraditional crop—by the mid-1980s.

Living Standards

That countries with low per capita GNPs also show unusually low living standards is not surprising. The key question, however, is whether countries officially designated as LLDCs exhibit some intrinsic properties that condemn them to perpetual poverty, or whether they have more acute problems than other low income countries that are not included in the group. Alternatively, are they simply countries that were late to move out on the development trail, are now showing some signs of modest gain, and can be expected—with suitable boosts—to follow the path of the many LDCs that have preceded them in increasing living standards? That the latter interpretation could be true in a number of cases is suggested by the fact that over three-quarters of the LLDCs achieved independence after the start of 1960 as compared to about half the other LDCs.

Health and Nutrition

By any measurement of several health factors, the LLDCs are very poor countries. Average life expectancies ran from 35 years in **Upper Volta** to 48 years in **Bangladesh** and **Sudan** as of 1970 (see table 2). Infant mortality rates (deaths per thousand live births) were generally well over 100 (where data were available), as compared to 60 for the LDCs as a whole and about 17 for the developed countries. Crude birth rates were quite high, a fact reflected in an overall population growth rate for the group that was only a hair below the LDC average despite the poorer health conditions. The ratio of population per physician was higher than the LDC average by a factor of nearly two or more in every case.

These striking gaps conceal some important attributes, however. Thus, roughly half of the LDCs are better endowed with hospital space (in terms of persons per bed) than the average LDC. **Benin, Botswana, Comoros, The Gambia,** and **Sudan** have a better patient/nurse ratio than the 1970 LDC average. **Western Samoa** has an infant mortality rate that is only two-thirds that of the LDC average. Moreover, the 13 LDCs outside the LLDC group that nonetheless had less than $300 per capita GNP in 1976 were generally *within* the LLDC ranges for vital statistics and health personnel and facilities.[4]

Nutrition comparisons tell a roughly similar story, although the poor LDCs outside the LLDC group tend to do somewhat better by comparison (see table 3).[5] Broadly, people in the LLDCs tend to consume less than the standard caloric requirement defined by the various international agencies. Remarkably, the only LLDC in the periodically stricken Sahel which is doing poorly is Upper Volta. The other especially bad cases at this level are scattered about the LLDC world.

Literacy and Training

Low literacy rates are a particularly striking feature of the LLDC group. The average for the Third World is about 60 percent for persons over 15, but the rates within the LLDCs run from a low of 5 percent in **Somalia** and **Upper Volta** to 20 percent in **Haiti** (see table 4). Primary school

[3] Although the Bangladesh data drive these results, the figures for the other LLDCs are not appreciably different.

[4] These other low-income LDCs are Burma, Guinea-Bissau, India, Indonesia, Kenya, Madagascar, Mauritania, Mozambique, Pakistan, Sierra Leone, Sri Lanka, Togo, and Zaire.

[5] Nutritional data for almost all LDCs are notoriously weak. Moreover, such broad international comparisons make no allowances for differences in stature, culture patterns, or levels of activity.

Table 2

Least Developed Countries: Comparative Health Data

	Life Expectancy at Birth (Years)		Infant Mortality Rate (Deaths per Thousand Live Births)		Population per Physician		Population per Hospital Bed		Population per Nursing Person	
	1960	1970	1960	1970	1960	1970	1960	1970	1960	1970
Selected LLDCs										
Afghanistan		38		182	32,000	26,000 [1]	8,400	7,051 [2]	22,760	22,120
Bangladesh		48		140	10,000	9,350 [1]	11,000	6,146 [2]	110,000	72,030
Benin	37	38	110			36,060	710	826 [3]		12,910
Botswana		41		126		9,580 [4]	280	332 [4]	2,340	1,280
Burundi	37	41	150	138	66,000	45,990 [5]	730	806 [5]		7,500
Cape Verde						12,950 [5]		640 [6]		3,900 [5]
Central African Empire			190			27,970 [1]		522 [5]		
Chad		39	160			44,370 [3]	820	1,140 [3]	5,700	7,840
Comoros						15,320 [1]		460 [5]		2,020 [1]
Ethiopia		39	84 [7]			69,340 [5]	3,000	3,081 [5]		24,040
Gambia		41		83		18,950	650	690	1,220	1,500
Guinea			216 [8]			22,380 [1]		599 [5]		
Haiti		45	200		10,600	13,050 [3]	1,790	1,344 [1]	9,220	7,460
Laos						21,570 [3]		1,008 [3]		
Lesotho		44	181 [9]			20,320 [3]	560	482 [3]	3,140	3,800
Malawi	38	39	148	151		85,830 [2]	940	640		16,090
Maldives						23,400 [3]		2,600 [3]		
Mali		37	120		40,000	33,330 [2]	1,490	1,382	3,630	3,860
Nepal	41	44			72,000	36,450 [3]	7,000	6,630 [2]		35,600
Niger	37	42	200		71,000	41,060 [3]	1,800	1,526 [1]	7,500	7,040
North Yemen						26,440 [3]		665 [1]		
Rwanda		41		133	144,000	53,550 [3]		671 [3]	10,830	7,330
Somalia		40			30,000	15,560 [1]	570	569 [5]	3,780	3,690
South Yemen		42				13,000		1,443		
Sudan		48	94		30,000	12,370 [3]	1,010	1,097 [3]	4,720	1,950
Tanzania	38	43	190	160	20,000	20,800 [1]	530	700		4,890
Uganda			160 [10]			20,690 [3]		710 [3]		
Upper Volta	32	35	182			59,570 [3]	1,810	1,174 [2]	4,110	4,230
Western Samoa				40 [7]				244 [3]		
Selected Other Poor Developing Countries										
Burma		48	195	139	12,270	8,970	1,980	1,200	11,310	7,540
India	41	50	139	130	5,800	4,800	2,600	1,620	5,140	5,110
Indonesia	48	48		135	4,100	27,650	1,350	1,720		8,010
Kenya	45	48		55	11,000	7,830	810	770	1,610	1,470
Madagascar		42	135	102	9,700	10,120	470	350	2,420	3,340
Mauritania		41			30,000	17,210	4,140	2,790	6,620	4,320
Pakistan		49	142	115	7,450	3,800	2,070	1,660	14,860	7,450
Sierra Leone		41		183	19,000	15,800	1,450	700	2,400	1,740
Sri Lanka	63	66	52	50	4,600	3,690	290	330	2,540	2,730
Togo	34	40	127		34,000	28,140	580	820	5,200	4,200
Zaire	39	41	104		30,000	30,040	180	320	3,580	2,290
LDC Average	58	60	94	60	7,500	5,600	930	820	4,900	3,200

[1] 1973. [2] 1971. [3] 1974. [4] 1975. [5] 1972. [6] 1969. [7] 1963. [8] 1955. [9] 1956. [10] 1959.

Table 3

Least Developed Countries: Comparative Nutritional Data

	Per Capita Caloric Supply (As a Percent of Total Caloric Requirement) 1960	1970	Cereal Grain Consumed (Kilograms per Capita) 1976
Selected LLDCs			
Afghanistan	86	80	234
Bangladesh	NA [1]	NA	268
Benin	96	98	109
Bhutan	NA	NA	331
Botswana	85	87	224
Burundi	82	100	88
Cape Verde	NA	NA	151
Central African Empire	NA	NA	60
Chad	94	86	147
Comoros	NA	NA	93
Ethiopia	88	92	181
Gambia	94	100	257
Guinea	NA	NA	179
Haiti	81	76	150
Laos	NA	NA	296
Lesotho	NA	NA	254
Malawi	86	93	273
Maldives	NA	NA	49
Mali	90	92	207
Nepal	92	93	287
Niger	93	93	330
North Yemen	NA	NA	347
Rwanda	88	93	50
Somalia	77	77	110
South Yemen	84	84	120
Sudan	81	91	146
Tanzania	69	73	176
Uganda	NA	NA	159
Upper Volta	85	82	199
Western Samoa	NA	NA	39
Selected Other Poor Developing Countries			
Burma	88	103	282
Guinea-Bissau	NA	NA	165
India	95	93	212
Indonesia	89	89	199
Kenya	103	101	134
Madagascar	104	104	248
Mauritania	85	89	157
Mozambique	NA	NA	106
Pakistan	84	99	199
Sierra Leone	89	97	215
Sri Lanka	92	107	157
Togo	89	94	125
Zaire	92	92	45
LDC Average	95	100	NA

[1] For tables in this publication, NA denotes not available.

enrollments are—in most cases—substantially below those of the other LDCs. Reflecting these patterns, modern mechanical skills and regular work habits are rare. These factors alone can severely limit the participation of the populace in development projects and programs.

Notwithstanding this dismal showing, however, there are already some grounds for optimism that the situation is changing. The most striking gain is in **Haiti**, which doubled its literacy rate during 1960-70 from 10 to 20 percent. In addition, primary school enrollment ratios are now near or above the LDC average in **Botswana, Rwanda,** and **Lesotho**; moreover, in seven of the most backward countries ratios have doubled (or better) since 1960. This dynamism extends to the 10 countries outside the LLDC group that met the 1960 literacy criterion and the three—Ivory Coast, Senegal, and Sierra Leone—that would still meet it today.

Other Indicators of General Economic Welfare

The per capita GNP measurement that is one of the three legs of the LLDC concept is at best an incomplete indicator of economic welfare. Many of the transactions in these countries are on a barter basis or simply do not get picked up in their thready national accounts statistics. A survey of other available data, however, underscores the point that, while these are very poor countries, there are some considerable differences among them. These differences show up in ownership of durables as well as access to public amenities. Thus, all of them produce very little electric power on a per capita basis, but Haiti, Western Samoa, and Botswana do better than India and 10 other poor countries outside the LLDC group. Overall, the LLDCs show undeveloped road networks, but **Bangladesh,** Western Samoa, and Comoros have denser networks than Iran, Brazil, and Argentina. Passenger car ownership is generally rare, but **The Gambia** and **South Yemen** exceed South Korea and are at or above the Philippine rate. Per capita radio ownership is on a par with other poor LDCs not in the LLDC group; Cape Verde, The Gambia, Comoros, Western Samoa, and South Yemen, however, outdo the Philippines, Iran, and South

Table 4

Least Developed Countries: Comparative Education Data

	School Enrollment Ratios[1] Primary		Secondary		Adult Literacy Rate (Percent)	
	1960	1970	1960	1970	1960	1970
Selected LLDCs						
Afghanistan	10	22	1	6	NA	10
Bangladesh	42	50	8	15	NA	NA
Benin	26	34	2	8	NA	NA
Botswana	42	72	1	8	NA	NA
Burundi	19	26	1	1	NA	NA
Chad	15	27	0.4	2	NA	7
Ethiopia	8	16	1	4	NA	7
Gambia	15	32	4	10	NA	NA
Haiti	38	40	4	4	10	20
Lesotho	83	95	3	7	NA	NA
Malawi	39	37	1	3	NA	NA
Mali	7	20	1	2	NA	10
Nepal	10	31	5	7	10	14
Niger	6	14	0.3	1	NA	NA
Rwanda	61	74	2	2	NA	NA
Somalia	9	10	1	4	NA	5
South Yemen	24	54	6	8	NA	NA
Sudan	17	25	5	9	NA	19
Tanzania	25	37	2	3	NA	NA
Upper Volta	8	13	1	1	NA	5
Selected Other Poor Developing Countries						
Burma	56	94	10	19	58	70
India	42	79	10	28	24	36
Indonesia	60	71	6	12	39	56
Kenya	49	67	3	9	NA	30
Madagascar	52	84	4	11	NA	39
Mauritania	8	15	0.4	2	NA	NA
Pakistan	33	44	11	16	16	NA
Sierra Leone	27	34	4	11	NA	15
Sri Lanka	95	89	27	31	61	85
Togo	44	56	2	7	NA	NA
Zaire	72	115[2]	3	11	NA	NA
LDC Average	67	77	16	25	NA	56

[1] Percent of school-age population enrolled.
[2] Ratios may exceed 100 percent if enrollment exceeds school-age population.

Korea, while Haiti and Botswana fall between the Philippines and South Korea.

Income Distribution

Data on income distribution are an important element in understanding the extent to which the overall poverty of LLDCs is reflected within the individual countries. According to the limited data available, a fifth or more of national income tends to go to the top 5 percent of earners, and the lowest 20 percent gets only about 7 percent of the income. What is unusual is that the lower income groups within LLDCs seem to do a little better—relatively—than their brethren in other parts of the Third World. In general, differences within the LLDC group are not especially striking. The one anomaly is the remarkable concentration at the high end of the income scale in **Tanzania** in 1970.

When the income distribution issue is extended outside the LLDC group to include the other poor LDCs, the point emerges that considerably more truly poor people live in India, Indonesia, Pakistan, and Burma than within the LLDC group. Indeed, the *bottom 20 percent* of their populations—whose per capita incomes would work out to about $50 in mid-1970 prices—alone numbers some 170 million as compared to a *total* population of 255 million in the LLDC world.

Economic Performance

Even a cursory review of the economic performances of the LLDCs since 1968 shows that there are too many differences among them to permit confidence in simple formulas for their improvement or simple predictions about their prospects. Output, trade, and price patterns reveal substantial variances in ability to respond to new economic opportunities within the group. Moreover, despite the oft-cited concern for the adverse effects of the recent oil price increases and global recession on the LLDCs, the balance of evidence seems to point to only a modest impact on LLDC performances from international economic problems. This, of course, partly reflects the limited nature of their economic links to industrial countries.

Output and Economic Growth

The stark figures in this field are that the LLDCs produce about 4 percent of Third World output while accounting for about 13 percent of Third World population. To stop here, however, is to miss the very important point that **Botswana, Sudan, Western Samoa,** and the **Yemens** are beyond, or have done well enough to approach the upper limit of, the World Bank's lowest income group.[6] In doing so, they have left behind four countries—Burma, India, Pakistan, and Zaire—whose longer term growth prospects have at one time or another been judged as solid.

The emerging differences are, of course, a product of a wide range in real GNP growth rates among the LLDCs. Thus, even though the group's rates typically run two percentage points or more below that for all non-OPEC LDCs (see figure 2), several star performers such as **Botswana, Guinea, Malawi,** and **North Yemen** substantially outdistance the non-OPEC LDC's pace, and others—**Central African Empire, Haiti, Rwanda,** and **Tanzania**—outperform the other LLDCs.[7] Factors in these above-average gains include proximity to countries with growing demands for migrant labor and the export of commodities whose demand and supply is relatively price-inelastic.

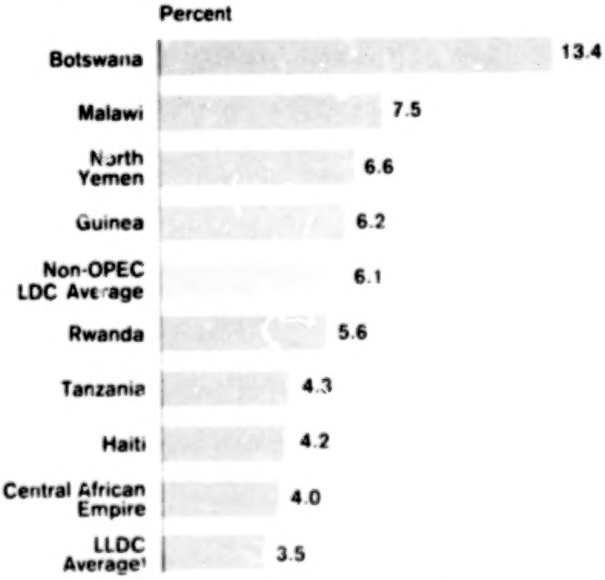
Despite the performances of the fast growers, however, overall LLDC expansion continues to be dominated by countries for which slow-growth traditional agriculture is the driving factor. Although the only consistent agricultural data for the LLDCs are in terms of gross rather than net product, even this set shows a generally unimpressive record for the group. Over half the LLDCs have turned in agricultural increases substantially below the general figure for all LDCs (see table 5). As a result, more than two-thirds of the LLDCs had GNP growth rates below their own group average and gains in real

[6] Uganda was also near the threshold. Recent political problems, however, have caused some backsliding.

[7] Botswana had a bad year in 1977; exceptional factors took its real growth rate down to about 3 percent. Sudan, a country whose recent growth propelled it into the middle income group and which has prospects for steady annual gains on the order of 5 percent, was near the LLDC average during 1969-76.

Figure 2

Selected Least Developed Countries: Comparative Real GNP Growth Rates, 1969-76



1 The remaining 22 LLDCs are below 3.5 percent.

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per capita income of less than 1 percent a year (see figure 2).

Recent oil price increases and global recession did not slow real GNP growth in the LLDCs. During 1969-74, the average annual economic growth rate was 3.2 percent, and this apparently rose to 4.5 percent during 1975-76. Presumably, the relative insensitivity of domestic agriculture to external economic factors and foreign aid increases may have been instrumental in more than offsetting any slackening in demand for LLDC exports in the period 1975-76. On the other hand, these results may be a consequence of the Sahelian drought in the early 1970s which seems to have hit at West African farming generally. The overall LLDC growth rate, for instance, was down to −0.7 percent in 1972, the worst year of the drought.

Prices

Consumer price data for the LLDCs is derived largely from information on urban families that typically account for less than 20 percent of the population. This small data base and the roles of controlled food prices and barter notwithstanding, however, the story is sufficiently clear to provide some broad themes. According to data for the period 1970-76, most LLDCs have experienced relatively little inflation in comparison to the rest of the Third World (see table 6). Indeed, about four-fifths of the 19 countries for which data are available have consistently turned in price performances at least as good as the non-OPEC LDC average. Impressive performances by **Upper Volta** and **Malawi** enabled these countries to obtain Eurocredits in the fall of 1977. Prices, however, have been surging in recent months in Upper Volta. Inflation rates in **Ethiopia** were also strikingly low until the price explosion of 1976.

The worst inflation has been in **North Yemen, Uganda,** and **Bangladesh**. Rapid growth in foreign exchange reserves have driven up the money supply and prices in Yemen, while Uganda has been plagued by fiscal excess. For Bangladesh, natural disasters and shortages brought on by crop failures explain the poor record.

Elements of International Accounts

The Balance of Payments. Generally, the features of LLDC external payments conform to overall Third World patterns. They are characterized by (a) continuing annual deficits on the current account (see table 7); and (b), within this, large deficits on services that often figure more importantly than trade shifts in the size of the deficit. The presence of continuing LLDC cur-

Table 5

Least Developed Countries: Comparative Agricultural Data

	Growth in Agricultural Output (Percent)		Percent of Labor Force in Agriculture	
	1966-70	1966-73	1960	1970
Selected LLDCs				
Afghanistan	1.1	0.9	NA	67
Bangladesh	2.8	1.9	76	71
Benin	4.6	2.9	55	52
Botswana	2.4	4.3	91	82
Burundi	5.3	9.7	NA	57
Central African Empire	2.4	2.0	NA	NA
Chad	0.	−3.7	95	NA
Ethiopia	3.1	2.4	88	85
Gambia	−3.5	−3.1	NA	85
Guinea	5.3	2.5	NA	NA
Haiti	0.5	1.1	83	85
Laos	4.8	2.7	NA	NA
Lesotho	1.3	−0.5	NA	51
Malawi	1.8	3.4	NA	88
Mali	1.2	−2.5	96	NA
Nepal	2.8	1.7	94	94
Niger	0.2	−4.5	97	91
North Yemen	−2.9	1.4	NA	NA
Rwanda	6.6	4.6	96	91
Somalia	2.8	1.9	88	82
South Yemen	1.3	3.0	71	62
Sudan	7.2	5.3	86	80
Tanzania	4.3	2.7	89	91
Uganda	4.4	2.7	NA	NA
Upper Volta	2.0	−0.6	92	89
Selected Other Poor Developing Countries				
Burma	2.4	1.9	63	70
India	5.1	3.6	73	71
Indonesia	3.1	3.5	68	63
Kenya	4.9	3.1	NA	90
Madagascar	2.5	1.6	93	87
Mauritania	1.3	−2.2	NA	85
Mozambique	3.1	3.0	NA	NA
Pakistan	6.3	4.8	59	58
Sierra Leone	0.4	1.7	75	73
Sri Lanka	3.2	1.7	49	52
Togo	5.4	1.5	NA	78
Zaire	5.9	3.4	84	78
LDC Average	3.4	3.0	56	51

rent account deficits is more a measure of capital-importing requirements than of any form of financial mismanagement. Moreover, the deficits of the least developed are not exceptionally large: ratios of individual current account deficits to GNP seem reasonable considering respective development stages.

These broad features notwithstanding, several important dissimilarities exist between the LLDCs and the rest of the Third World. International trade is comparatively less important and more volatile for the LLDCs. In fact, more than two-thirds of them show ratios of exports to GNP less than the LDC average. The presence of a large number of landlocked countries (15 out of the 30 countries) translates to comparatively higher unit costs for both imports and exports with a consequent reduction in trade volume. Similarly, the meager resource base of most LLDCs reinforces the trend of limited trade importance.

The services account of the balance of payments also provides some striking differences with the more advanced LDCs. Interest expenses on external debt—a significant item in high- and middle-income LDC accounts—are modest or inconsequential for those in the least developed group, who receive mostly grants and concessional credits to finance external deficits. Travel earnings—which often earn significant foreign exchange for high- and middle-income LDCs—are a deficit item for nearly all in the least developed category. There are, of course, parallels to other Third World countries in services. Transport costs are—for the most of the LLDCs—one of the largest negative factors in services earnings, especially among the landlocked countries. Finally, "other government" earnings—an account comprising mostly payments from foreign diplomatic and military programs—are an important source of exchange revenues simply because of the generally small base of external transactions.

Several capital account—or financing—items also vary in importance be.. een least developed and higher income LDCs. Most significantly,

Table 6

Least Developed Countries: Comparative Inflation Rates [1]

Percent

	1970	1971	1972	1973	1974	1975	1976	Average Annual Growth (1971-76)
Selected LLDCs								
Bangladesh	NA	−0.6	45.4	45.0	54.7	24.3	−9.6	24.0 [2]
Burundi	NA	3.9	3.8	6.0	15.7	15.8	6.8	7.3
Central African Empire	3.7	8.9	7.2	5.7	9.5	16.1	10.5	8.7
Chad	8.4	6.2	2.9	5.4	11.3	15.7	3.4	7.5
Ethiopia	10.1	0.5	−6.1	8.9	8.7	6.5	28.5	7.7
Gambia	−2.0	3.1	8.6	6.9	9.3	25.9	17.1	9.5
Haiti	1.3	9.5	3.3	22.7	14.9	16.8	7.0	10.6
Malawi	9.5	8.2	3.6	5.1	15.4	15.5	4.3	8.7
Nepal	15.2	−2.0	8.4	11.4	19.9	10.1	−1.9	8.5
Niger	0.8	4.2	9.8	11.7	3.4	9.1	23.6	8.7
North Yemen	NA	NA	NA	43.0	26.6	23.8	16.5	27.1 [3]
Rwanda	0.5	0.5	3.1	9.4	31.1	30.0	NA	11.7 [4]
Somalia	0.9	−0.6	−2.9	6.4	18.2	19.4	14.1	7.6
South Yemen	5.0	5.3	5.3	19.8	20.3	12.0	3.1	9.9
Sudan	4.0	1.4	13.4	15.3	26.1	24.0	1.7	11.9
Tanzania	3.5	4.8	7.6	10.4	19.6	26.1	6.9	11.0
Uganda	9.8	15.8	−3.0	24.4	66.9	20.3	54.8	25.0
Upper Volta	1.7	2.1	−2.9	7.6	8.8	18.7	−8.4	3.6
Western Samoa	3.0	4.6	7.6	11.9	24.9	8.8	4.9	9.2
Non-OPEC LDC Average	5.3	6.0	9.8	19.9	30.1	24.3	24.8	16.8

[1] Inflation rates are based on consumer price changes. [2] For the period 1972-76. [3] For the period 1974-76. [4] For the period 1971-75.

Table 7

Least Developed Countries: Comparative Current Account Balances [1]

Million US $

	1973	1974	1975	1976
Major LLDCs	−960	−2,200	−2,807	−1,017
Bangladesh	−487	−716	−951	−455
Benin	−30	−24	−48	NA
Central African Empire	−27	−50	−77	−35
Chad	−49	−53	−120	−73
Ethiopia	61	22	−72	−74
Gambia	−6	−1	7	−18
Haiti	−11	−36	−43	NA
Malawi	−39	−44	−87	NA
Mali	−77	−136	−146	−109
Niger	−56	−131	−88	NA
North Yemen	NA	−59	13	194
Rwanda	−1	−31	−69	−40
Somalia	−65	−100	−100	−109
South Yemen	−52	−100	NA	NA
Sudan	27	−294	−476	−185
Tanzania	−127	−329	−319	−78
Uganda	40	−28	−72	35
Upper Volta	−50	−86	−139	−22
Western Samoa	−11	−4	−19	NA
Non-OPEC LDCs	−9,400	−27,000	−34,000	−25,000

[1] Excluding official transfers. The 11 LLDCs not covered in this table would have relatively little impact on the group totals. They include seven landlocked countries for which fragmentary trade data are highly unreliable, one African country—Guinea—for which no payments data are reported even to the International Monetary Fund, and three small island groups.

foreign investment—often a large source of financing for high-income countries—is rarely of importance to members of the least developed group. While most of the LLDCs underwrite deficits with grants and concessional loans, a few have used suppliers' credits relatively extensively, a fact reflected in interest lines within the services account.

Within this broad taxonomy, a few countries exhibit different trends. Ethiopia and Tanzania have both shown surpluses—sometimes substantial—on their transport accounts, probably reflecting the earnings of the Ethiopian national airline and the port of Dar es Salaam, respectively. For **Ethiopia**, current domestic conditions have undoubtedly detracted somewhat from the earnings power of this advantage. As most port activity in **Tanzania** represents transshipment of exports of other LDCs, the value of such earnings is lessened by their minimum contribution to holdings of convertible currency. Several of the least developed countries—**Benin, The Gambia, Niger, Somalia,** and **Upper Volta**—have run surpluses on the services account items covering interest payments, a trend perhaps explainable by payments arrangements with former colonial metropoles.

Surprisingly, changes since 1973 in the LLDC current account positions have generally been far less dramatic than those for the non-OPEC LDCs as a whole. This is all the more remarkable if the continuing drought conditions affecting some of the LLDCs are considered. Deficits of the least developed group did widen during the period 1973-75; but for the majority, this meant at most a doubling while the same figure for the non-OPEC LDC group quadrupled. The more moderate deterioration resulted mostly from the lesser importance of oil imports in the trade of these countries; the oil price impact was more often felt through higher transportation costs.

Bucking the prevailing winds in LLDC payments trends were Sudan, Tanzania, and Haiti. For these three (the first is now really a middle-income LDC), current account deficits ballooned with the overall LDC trend. **Sudan's** export base was eroded by adverse price movements, particularly for cotton. **Tanzania** faced a soaring import bill driven mostly by the need to purchase large quantities of food abroad. **Haiti** also required increased food imports, but unstable domestic conditions figured prominently too.

Trade Patterns.[5] The broad features of LLDC trade strongly reflect their stage of economic development. The predominance of backward, rain-fed agriculture and the scarcity of manufacturing activities mean that sharp movements in trade deficits are always possible. On balance, however, the LLDCs have clearly participated in the general growth of world trade and, in some instances, are beginning to show the capacity to expand nontraditional export lines. The greatest progress and/or potential tend to coincide with those instances in which individual LLDCs have been able to sustain somewhat greater overall economic growth than in the past.

[5] See appendix A for a more detailed discussion of LLDC trade.

Exports. During 1971-76 LLDC average annual export growth in value terms varied widely—from a low of 2.5 percent to a high of 42 percent—but was generally lower than that for the non-OPEC LDCs as a group (see figure 3). Star performers included Botswana and Haiti. **Botswana** has obtained increased export earnings from new mining operations in diamonds and copper-nickel ore; it has also boosted beef exports. In 1974, after the EC (European Community) imposed restrictions and levies on beef imports, Botswana was able to shift its exports of beef from the EC to South Africa. South African quota limits, however, have now been reached. Further attempts to develop new markets for Botswanan beef may prove difficult; the presence of hoof-and-mouth disease now precludes any exports to the EC. In **Haiti**, growth in manufactures exports coupled with increased earnings from bauxite more than offset rather sluggish growth in agricultural output. Other countries whose performance exceeded the LLDC average included **Guinea** and **Niger**, both exporters of metal ores and concentrates, as well as some countries whose export success was determined largely by a single crop:

- **Somalia** has greatly increased the irrigated area for bananas and has found a ready market in Saudi Arabia for increased production.

- **Malawi** has benefited from steady increases in both the volume and unit value of tobacco.

- In **Upper Volta** and **Chad**, cotton export volume in 1976 was more than double the 1970 level.

- **North Yemen** has also substantially increased cotton output over the 1970 level, although production has declined since the record crop of 1974.

For many of the countries whose rate of export growth was below the LLDC average, one of the key factors in the poor showing has been slow recovery from drought and other uncontrollable factors. Of the worst performers, Cape Verde suffered from the effects of continuing drought, while Bangladesh and Uganda experienced severe internal unrest during the period. In some cases, however, government agricultural policies were at least partly to blame. In **Benin**, the **Central African Empire**, **Tanzania**, and **Uganda**, low prescribed producer prices had a negative effect on output.

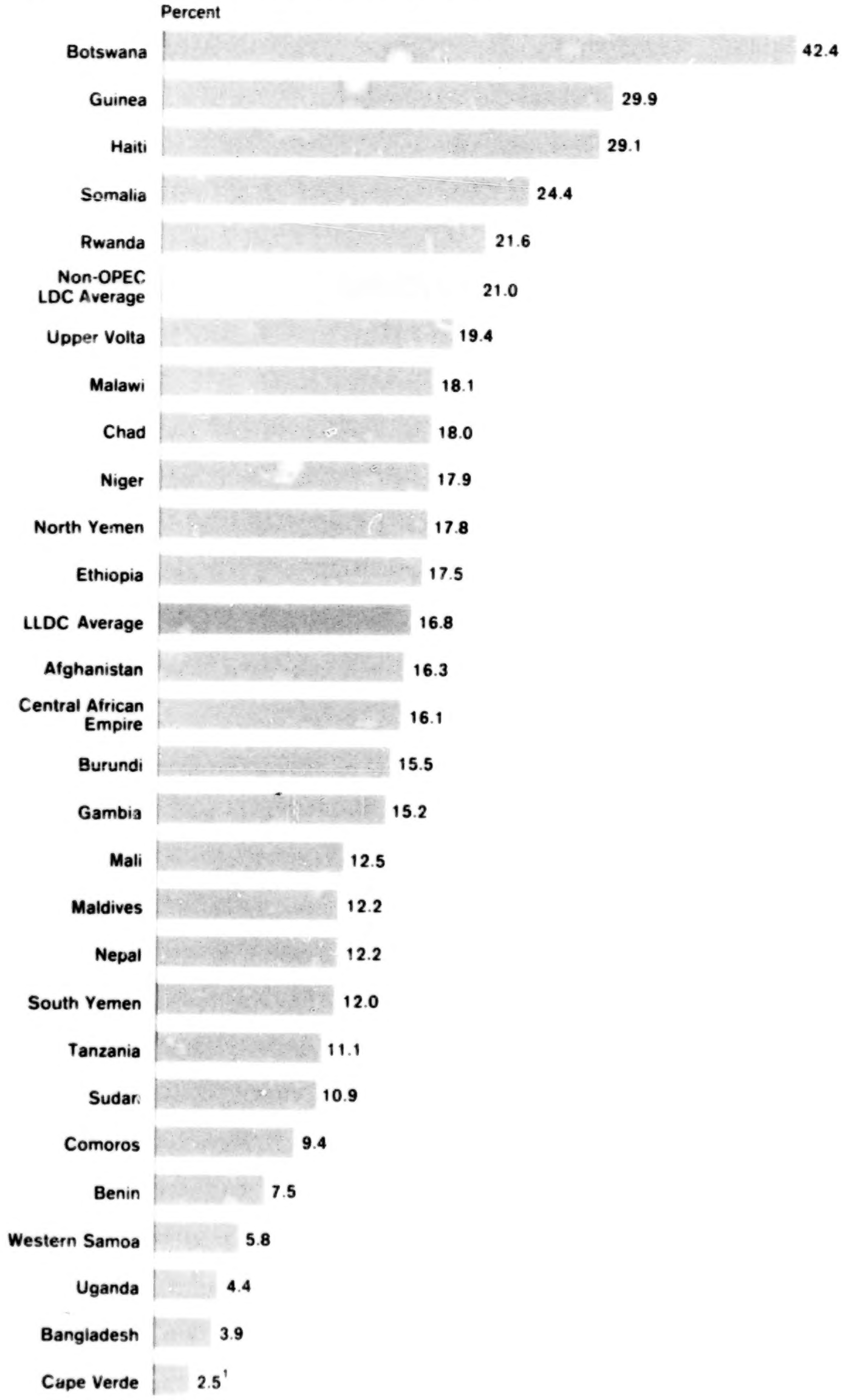
Despite considerable progress in a few countries, the most striking single feature of LLDC exports is that they are still substantially more concentrated in a few commodities than those of most other LDCs. Exports are almost entirely in the range of unprocessed or semiprocessed agricultural and animal products or mineral ores. Half of the 28 LLDCs for which data are available depend on a single commodity for 50 percent or more of export earnings. The remaining LLDCs, except for Tanzania, depend on not more than three commodities for half their export receipts.

Although a comparative examination of the narrow export bases of LLDCs from 1967 to the latest year available shows that export diversification has come slowly, in a number of cases the emergence of new products has had a substantial impact. In **Afghanistan**, natural gas displaced fur skins as a leading export. In **Niger**, the advent of uranium overwhelmed the export structure; the share of oilseeds, which accounted for 61 percent of earnings in 1967, dropped to a mere 1 percent in 1975. Similar structural changes have occurred in **Botswana** and **Guinea**.

A number of the LLDCs have also shown initial success in expanding manufactures exports. **Haiti**, with the dual advantage of the lowest labor costs in the Western Hemisphere and close proximity to the US market, is by far the best performer in this line and is the only LLDC to have boosted manufactures exports over a broad range of products including chemicals, light machinery, sporting goods, and other miscellaneous manufactures. Haitian textiles and clothing exports grew quite rapidly through 1974, although these categories were forced into a slump in the following two years owing to recession in the developed countries. **Afghanistan** appears to be the only one of the larger LLDCs to have

Selected Least Developed Countries: Comparative Export Growth Rates, 1971-76

Figure 3



1 For the period 1971-74

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made significant strides in cotton textiles and clothing exports. Among the smaller LLDCs, **Benin** and **Nepal** have recorded recent gains in these lines from a low base. A few of the LLDCs have also made some beginnings in exports of light machinery; **Sudan** has had fairly steady growth and, with the exception of Haiti, has outpaced the rest. **Malawi**, **Mali**, **Tanzania**, and **Uganda** have also shown some potential in light machinery, though earnings from this category are still quite small. **Niger** has shown some early success with a variety of chemical products exports and is the only LLDC whose principal manufactures exports are in this line.

Imports. Import growth for the LLDCs has been driven for the most part by rising costs of grain and fuel. LLDC imports in value terms increased at an average annual rate of about 17 percent from 1971 through 1976 compared with 22 percent recorded for all non-OPEC LDCs. Individual LLDC performances varied from negative import growth rates in both **Laos** and **Uganda** to a high of 68.2 percent for **Maldives**, where imports skyrocketed from an extremely low base. Among those with the most rapid import growth rates were **The Gambia**, **Haiti**, and **Somalia**, countries in which the need for grain imports to meet domestic requirements increased fastest.

On average, nearly 20 percent of the LLDC import payments goes for food; but the range within the group is very large. For the latest year available, food as a share of imports went from a low of 3 percent in **Ethiopia** to a high of 49 percent in **Maldives**. Moreover, sudden changes in food requirements as a result of crop failures or bumper harvests effect sizable changes in the food bill from one year to the next, with corresponding impacts on the relative size of import categories.

Dependence on grain imports has altered in the LLDCs since the early 1960s. Only four of the 30 LLDCs began the period with a trade surplus in grain; today only two of these—**Bhutan** and **Nepal**—are still net exporters. Of the remaining LLDCs, only three became less dependent on grain imports to meet consumption requirements. **Guinea** and **Botswana** reduced their dependency by 1 and 2 percentage points, respectively, while **Laos** lowered grain imports as a share of consumption over the period by 7 percentage points, certainly reflecting imposed consumption restraints rather than increased production in the postwar period.

Countries with the greatest dependence on grain imports are **Western Samoa**, **Maldives**, **Cape Verde**, **South Yemen**, **Comoros**, **Botswana**, and **Somalia**. The first three are nearly totally reliant on imports to meet domestic requirements, and each of the last four obtains more than 25 percent of domestic needs from external sources. In absolute terms, however, only five countries with an average grain import dependence of less than 15 percent—**Bangladesh**, **Haiti**, **Laos**, **North Yemen**, and **Sudan**—accounted for about three-quarters of total LLDC grain imports in 1976.

The second most important element of LLDC imports is petroleum, which has grown steadily as a share of the trade bill in each country except Laos. In the most recent years, the LLDC average share of petroleum in imports was on the order of 11 percent, compared to 14 percent for the non-OPEC LDCs as a group. The smaller figure for these poorest countries is driven largely by the greater significance of noncommercial fuels—firewood and organic waste—in domestic consumption. Nevertheless, unit prices for the landlocked LLDCs have always been quite high, and the increase in basic petroleum prices is an added impediment to modernization and development. In 1970, for example, **Chad**, **Niger**, and **Upper Volta** paid an average of 250 percent more per barrel for oil than nine coastal LLDCs.

Within the broad averages for the petroleum bill, particular country experiences vary widely. Thus, the oil share of imports runs from a low of 5 percent in **Guinea** to a high of 34 percent in **Uganda**. Those for whom oil as a share of import value rose most dramatically since 1973 were **Ethiopia**, **Somalia**, and **Uganda**, all countries in which military activities have been on the increase over the past few years.

Fragmentary data on other LLDC import categories suggest that, despite rising payments for food and petroleum, the LLDCs have by and large sustained their purchases of capital equip-

ment from developed countries. Partner trade data from 18 industrialized countries show that developed countries' exports of machinery and transport equipment as a share of total sales to the LLDCs rose from 31 percent in 1970 to 40 percent in 1976. Consumer goods (other than food) and the rather small category of semimanufactures have been the components whose shares have generally fallen.

Terms of Trade. The experiences of the LLDCs with respect to trade prices have been as irregular and inconclusive as those for the Third World as a whole. During 1971-76 the LLDCs generally kept pace with the overall terms-of-trade index of the non-OPEC LDCs. From 1971 to 1972, import prices outpaced export prices, leading to a decline in the terms of trade of both country groups. This pattern was reversed in the next two years, with export prices rising faster than those for imports; as a result, both groups regained their base-year positions. In 1975-76, however, they again experienced a decline in the terms of trade, as price increases for exports lagged behind those for imports. Although individual LLDCs generally followed these broad patterns, a few experienced considerable overall volatility in export prices because of movements in certain key commodities. The experience with import prices was more uniform.

Within the LLDC group, the driving factors in the 1973-74 terms-of-trade gains were dramatic increases in export prices for hard fibers, nuts, and oilseeds; these offset, at least temporarily, the impact of OPEC price hikes. The reversal in 1975 was brought on by general export price losses (except in bananas, bauxite, and jute), coupled with increases in the prices of imports of manufactures (especially machinery and transport equipment). A partial terms-of-trade recovery in 1976 again came on a broad wave of commodity price gains (excluding hard fibers, jute, sugar, and vegetable oil), while import prices remained stable.

Among the 18 LLDCs for which price data are available, the **Central African Empire, Chad, Ethiopia, Laos, Sudan,** and **Uganda** saw their export prices drop in 1975 and rebound in 1976 largely on the basis of movements in world prices for cotton or coffee or both. For countries whose key commodity prices continued downward in 1975 and 1976—**Benin, The Gambia, Niger,** and **Upper Volta**—export performance was driven more or less by prices of oilseeds and nuts. In **Afghanistan** and **Haiti**, where the export price index continued upward in 1975-76, the most important factors were the prices of natural gas and bauxite, respectively.

LLDC experience with import prices in the 1971-76 period mirrored that of non-OPEC LDCs except for the differential impact of the OPEC price hikes. From 1970 through 1973, all non-OPEC LDCs faced rising prices for food, fuel, and manufactures. The increases were moderate at first then sharply accelerated in 1973. In 1974, the first year in which the full impact of the OPEC price hikes was felt, LLDC import prices increased an average of 32 percent compared with 41 percent for non-OPEC LDCs, a reflection of the latter group's relatively greater dependence on oil. Average import price increases for individual LLDCs ranged from 22 to 42 percent.

Obviously, LLDCs where oil accounted for a comparatively large share of the import bill—**Afghanistan, Chad, Ethiopia, Laos, Mali, Somalia,** and **Tanzania**—experienced the greatest increase in prices. In 1975 import prices continued rising, although at a slower pace. Despite falling prices for foodgrains, upward pressure on import prices was sustained largely by higher costs of manufactures, especially machinery and transport equipment. Sugar prices, which more than doubled in 1975, also exerted upward pressure in at least one case—Mali—where sugar is a large component of imports. The continuing decline in prices of foodgrains in 1976, more than any other factor, was responsible for the leveling off of import prices at the end of the period.

Policy Characteristics

An understanding of the ways in which the LLDCs make use of the resources at their disposal depends at least in part on some grasp of the forms of their governments and their principal policy characteristics.

Forms of Government and Foreign Ties

The forms of government in the LLDCs run the gamut from elective to dictatorial. Many are hereditary, in limited extension of tribalism. Permutations of democracy are important in **Botswana** and **Western Samoa**; but, for most of the rest, some small elite group exercises political power and guides daily government activities. Because the educational/training base is so shallow, the armed forces often provide the pool from which administrative talent is drawn. Multiparty political systems exist in only four of the 30 countries (**Botswana, Comoros, The Gambia, and Lesotho**); 14 have one-party systems, many of which are military dominated; and 12 have nonparty systems, of which eight are under direct military control and four are "traditional."

Although human rights practices in a few of the LLDCs (**Botswana, The Gambia,** and **Western Samoa**) approach the standards of the Western democracies, performances of most of the countries fall far short.[9] Political liberty—the ability to peaceably influence government policy—is relatively more restricted than are civil liberties. Three-fourths of the LLDCs rank among the least free in the world in terms of political rights accorded to ordinary citizens. With respect to civil rights, such as integrity of the person and freedom of expression and movement, the situation is only slightly better. While the press has highlighted repression in only a few of these countries, international human rights organizations judge that conditions in nearly 60 percent of the LLDCs rank among the worst in the world. In some cases—**Laos** and **Uganda,** in particular—human rights considerations have posed problems for the flow of both economic and military assistance from Western donors, including those which do not have legislated human rights criteria for aid dispensation.

Leadership by elite and the absence of any strong traditions of contention of ideas or political strategies usually mean that foreign asssociations are based on historical ties or adoption of particular ideologies. Substantial commercial ties to France, the United Kingdom, and other countries continue as an heirloom of the colonial period (see table 8). On the other hand, the vigorous efforts of the Communist countries have won them at least some toehold in about a third of the LLDCs. The most substantial Communist presence is in **Afghanistan**; but Communist countries supply aid or military equipment to **Benin, Cape Verde, Ethiopia, Guinea, Mali, Somalia, Sudan, Tanzania, Uganda**, and the **Yemens**.

An indication of the LLDCs' ability to cooperate in solving their own problems is their relations with neighbors. Here, the broad patterns are not reassuring. Two of **Ethiopia's** three transport outlets have been closed; access to the other is now threatened. **Sudan**, through its support of the Eritrean rebels, has been burdened with many refugees. Moreover, it has increased defense spending to support the rebels and to

Table 8

Selected Least Developed Countries: Former Colonial Ties [1]

Bangladesh	United Kingdom
Benin	France
Botswana	United Kingdom
Burundi	West Germany, Belgium
Cape Verde	Portugal
Central African Empire	France
Chad	France
Comoros	France
Ethiopia	Italy
Gambia	United Kingdom
Guinea	France
Haiti	France
Laos	France
Lesotho	United Kingdom
Malawi	United Kingdom
Maldives	United Kingdom
Mali	France
Niger	France
North Yemen	Turkey
Rwanda	Belgium
Somalia	United Kingdom, Italy
South Yemen	United Kingdom
Sudan	United Kingdom
Tanzania	United Kingdom, West Germany
Uganda	United Kingdom
Upper Volta	France
Western Samoa	West Germany, New Zealand

[1] Where more than one country is listed, the first listed was the initial country to establish colonial ties.

[9] This discussion draws on the widely cited "Comparative Survey of Freedom," published by Freedom House. Countries are ranked in terms of both civil and political freedoms as these have been traditionally understood in the constitutional democratic states. (See *Freedom at Issue*, January-February 1978.)

counter Libyan- and Ethiopian-backed subversion. Defense spending has also increased in **Botswana**, where hostilities revolve around the Rhodesian situation. These hostilities have also upset **Malawi's** trade through closure of the Rhodesian-Mozambique border. With the breakup of the East African Community, Kenya's border has been closed to **Tanzania**. Although relations between Kenya and **Uganda** are improving—at least for the moment—Uganda's use of Kenyan transportation facilities has been disrupted frequently. Libya has claimed and occupied a strip of northern **Chad** and supported antigovernment insurgents in nearby areas.

On the other hand, economic problems with neighboring states have eased in some LLDCs. **Bangladesh** has concluded an agreement with India on the sharing of the waters of the Ganges River. Congo has once again allowed oil shipments to pass through its borders to the **Central African Empire**; the latter had begun to negotiate with Cameroon on a transit pact for the shipments. Thailand has also lifted an embargo on oil going across its boundaries to **Laos**. A relaxation of friction has permitted a reopening of Senegal's border to **Guinea**. In addition, **Burundi, Rwanda**, and **Tanzania** are negotiating a project involving the Kagera River Basin.

Public Finance

In spite of their emphasis on development, the LLDCs must constantly weigh their economic priorities against political and military interests. The scattered evidence in the realm of public finance suggests that, on balance, the LLDCs are increasing their ability to draw public funds from their own resources and are making some small gains in reducing the regressiveness of their tax systems. Where functional spending data exist, they seem to point primarily toward a concern for areas that will permit advances in living standards; some few regimes, however, attach importance to military spending for display or enhancement of national power.

Spending. Spending by LLDC governments varies widely (see table 6 in appendix B). For some LLDCs, the ratio of government consumption to GDP is much above the characteristic 15.3 percent for the OECD countries or 14.2 percent for the LDCs. In others, it is considerably less. **Somalia** (25.1), **Guinea** (22.0), and **Sudan** (21.5) are the greatest public spenders, while **Burundi** (8.5) and **Uganda** (10.4) are the lowest.[10] Over the period 1965 to 1973, **Somalia** and **Sudan** achieved the greatest spending growth. Their average annual rates of 11.0 and 9.4 percent, respectively, sharply exceeded the LDC rate of 6.6 percent and OECD rate of 5.2 percent. In contrast, **North Yemen, Niger,** and **The Gambia** experienced spending declines.[11]

The dispersion has its analogue in the patterns of the poor LDCs outside the LLDC group. In these other impoverished countries, public sector spending shares range from 7.5 percent in Sierra Leone to 22 percent in Zaire. In this group, Kenya (11.3) showed the greatest government spending growth, while Indonesia (2.3) experienced the smallest.

Despite the prominence of military regimes among the LLDCs, military accounts do not take up a very large share of total public spending in most cases. In all but seven, the share of military spending in relation to national output is smaller than the LDC average. The striking exceptions are **Chad, Laos, Somalia, the Yemens,** and—to a lesser degree—**Guinea** and **Sudan.** Because of the subsistence character of these countries, they may be encouraging development by the provision through the army of both employment and some public services that cannot be achieved in other ways in the short run. Data on equipment deliveries, however, tend to undermine this argument in each case except Chad and North Yemen. Such data would also add **Uganda** to the list of countries for which the military has preferred access to resources for noncivilian purposes.

Somewhat distressing is the rapid *growth* of shares of military spending in budgets of 10 of the LLDCs since the mid-1960s. Balancing this, however, are declines or no real changes in relation to national output in about the same number, including Guinea, Haiti, Laos, and Rwanda. For the rest, the growth of military

[10] According to table 6 in appendix B, Ethiopia should be considered a low spender. However, in Ethiopia, spending as a share of GDP increased from 10.7 percent in 1973 to 13.8 percent in 1976.

[11] 1973-75 data for North Yemen.

spending seems to have kept pace with the overall growth in the public sector.

Reliable data on other facets of public spending are extremely difficult to obtain.[12] In one-half to two-thirds of the cases for which data are available, however, the patterns seem to be toward proportionally more spending on education, social services, and support of agriculture. The greatest gains in education as a share of total government spending came in **Afghanistan** and the **Yemens** and the greatest losses in **Bangladesh, Somalia, Sudan, and Tanzania.** Star performers in social services were **Ethiopia, Nepal, Rwanda,** and **Sudan;** on the other hand, **Tanzania** did poorly in this field (at least through 1973). Public spending in agriculture increased in six of the 10 countries for which data were available, including, in particular, **Ethiopia** and **Rwanda**; **Afghanistan** and **Somalia** showed substantial declines in this field.

Taxes. The revenue-generating efficiency of LLDC tax systems varies widely (see table 7 in appendix B). **Lesotho** (34.9), **Sudan** (31.6), and **Somalia** (27.5) had the highest ratios of government revenue to GDP. These shares were much above the LDC average of 19.9 but not far from the OECD average of 33.5. By contrast, **Mali** (1.6), **Nepal** (5.5), and **Laos** (5.6) had the lowest shares. Over the period 1965 to 1973, the share increased in most LLDCs, with the greatest gains in **Lesotho, Sudan**, and **Somalia.** The smallest increases occurred in **Guinea** and **Upper Volta**; Mali's share of government expenditures to GDP actually declined.

The tax system can, of course, be used to promote more equal income shares. Since direct taxes are generally considered least regressive, the ratio of direct taxes to total government revenue can gauge the extent to which the government strives for greater income equality. As of 1973, the highest ratios were achieved by **Uganda, Niger,** and **Burundi** with 38.0, 31.5, and 31.3 percent, respectively. In contrast, the LDC average stood at 40.8 percent and the OECD average at 60.1 percent. **Bangladesh** (4.9), **Afghanistan** (8.8), and **The Gambia** (10.1) had the lowest ratios. A little more than half of the LLDCs increased direct tax shares in total government revenue during 1965-73, with **Mali, Benin, Tanzania**, and **Laos** leading the way. On the other hand, **Bangladesh, Lesotho**, and **Guinea** experienced large declines.

[12] Data in this paragraph are based on comparisons for the years 1965-73 in most cases.

Receptivity to Foreign Assistance

Although there is no strong resistance by most of the LLDCs to receiving aid from any and all sources, some might balk at accepting technicians or other foreign personnel who are normally part of bilateral programs. In addition, a few have felt constrained because of political commitments or delicate positions in international affairs to balance receipts from Communist and non-Communist donors. Others have cut off or blocked flows as a result of poor relations with donor countries.

The broad pattern of aid relationships can be seen in table 9. All of the LLDCs receive some

Table 9

Least Developed Countries: Sources of Official Aid

	Bilateral			Multilateral
	DAC	OPEC	Communist	
Afghanistan	X	X	X	X
Bangladesh	X	X	X	X
Benin	X	X	X	X
Bhutan	X			X
Botswana	X		X	X
Burundi	X	X	X	X
Cape Verde	X	X	X	X
Central African Empire	X	X	X	X
Chad	X	X	X	X
Comoros	X	X	X	X
Ethiopia	X		X	X
Gambia	X	X	X	X
Guinea	X	X	X	X
Haiti	X			X
Laos	X		X	X
Lesotho	X	X		X
Malawi	X			X
Maldives	X	X		X
Mali	X	X	X	X
Nepal	X	X	X	X
Niger	X	X	X	X
North Yemen	X	X	X	X
Rwanda	X	X	X	X
Somalia	X	X	X	X
South Yemen	X	X	X	X
Sudan	X	X	X	X
Tanzania	X	X	X	X
Uganda	X	X	X	X
Upper Volta	X	X	X	X
Western Samoa	X		X	X

form of bilateral assistance from members of the Development Assistance Committee (DAC) of the OECD. Most accept economic or military aid from the Communist countries. A fairly select group of Moslem countries has benefited greatly from OPEC assistance. All LLDCs are eligible for assistance from at least one of the various multilateral development organizations.

Current problems in providing bilateral assistance to these countries center on various political issues. Thus, restrictions by Congress preclude the United States from providing aid to **Laos**. **Uganda** has placed itself out of reach of many Western donors because of its exceptional abuses of human rights. The war with Somalia seriously complicates Western support prospects for **Ethiopia**. In addition, Western flows are lagging in **South Yemen** because of its support of Ethiopia. **Afghanistan**, generally congenial to outside assistance, must carefully balance receipts from Communist and non-Communist sources because of its delicate position as a country bordering the USSR.

THE LLDC STAKE IN NORTH-SOUTH ISSUES

The LLDCs have participated in the North-South dialogue both directly and by proxy. LLDC representatives have been most outspoken on issues that had fairly apparent utility to them, such as the Common Fund, food supply to the needy, and increased aid flows. They have been less clear in their positions and views on debt relief and trade preferences, where the potential gains were most distant or indeterminate. This has, of course, partly been a function of their scarce diplomatic and technical skills and the desire to avoid expending them on issues of limited concern. In these instances, other LDC spokesmen—and, sometimes, concerned individuals in the developed countries—have argued that the LLDCs should side with the rest of the Third World. For a few topics—for example, technology transfer or features of foreign private investment—the measurable interest has been so remote that neither they nor their foreign counselors have feigned substantial LLDC interest. Nevertheless, the insistence of their LDC allies on bloc unity in discussions with the developed countries has left the misimpression that there are few intrinsic differences either among the LLDCs or between them and the other LDCs with respect to potential gains from the various G-77 proposals. The following sections are intended to shed light on these differences.

Foreign Debt [13]

The more limited impact of world economic conditions on the least developed countries manifests itself in similarly modest changes in their external medium- and long-term debt situations. For most of the LLDCs, the sum of foreign debts outstanding is very small. Only **Afghanistan, Bangladesh, Ethiopia, Sudan,** and **Tanzania** had yearend 1977 debts exceeding $500 million. For a few nations—**Burundi, The Gambia,** and **Lesotho**—foreign debts are under $25 million. A generally slower growth of debt for most countries in the least developed group is a function of the large share of grants they receive to finance external deficits; for the LLDC grants are, on average, equal to somewhat more than 40 percent of current account deficits (net of all transfers). More important, the high proportion of very concessional aid in the debt they do incur has helped keep the rate of increase in service payments since 1973 the lowest of any group within the Third World.

Within the LLDC group, significant variations exist. The expansion of debt stock and of repayments has been especially striking for **Bangladesh**; the debt service ratio has passed the benchmark 20-percent level (see table 10). [14] In many respects, however, Bangladesh needs to be considered a special case; some of its extremely rapid debt growth (from $368 million at yearend 1973 to $2.4 billion at yearend 1977) resulted from its assumption of the former liabilities of East Pakistan. Two other LLDCs also had debt service ratios in 1976 that exceeded 20 percent: **Sudan**

[13] The 11 LLDCs missing from this section are not included in the World Bank *World Debt Tables*. The factors determining the coverage of that series make it plausible to infer that the debt owed by the omitted countries is not significant.

[14] Debt service ratios on exports of goods and services of over 20 percent are usually considered high for the middle- and lower-income LDCs, although a few higher income countries such as Brazil generally carry ratios of more than 40 percent.

and **Mali**. **Sudan** is using foreign loans to pursue an ambitious agricultural development program; its ability to garner Arab loans and investments should continue. **Mali**, on the other hand, had a sharp falloff in export earnings in 1976, causing its debt service ratio to soar. Although debt servicing requirements have fallen from the unusually high levels of 1976, limited export prospects, complicated by drought effects from recent years, could presage a fairly tight debt service situation if aid inflows do not hold up.

Table 10

Selected Least Developed Countries: Debt Service Ratios [1]

Percent

	1973	1974	1975	1976
Bangladesh				
Goods [2]	3.6	10.5	26.8	25.3
Goods and Services [3]	3.1	8.6	21.8	20.9
Benin				
Goods	2.8	6.6	6.6	NA
Goods and Services	2.2	5.2	4.9	NA
Central African Empire				
Goods	5.8	11.7	18.5	14.0
Goods and Services	4.0	8.1	11.5	9.1
Chad				
Goods	6.6	5.1	10.7	9.4
Goods and Services	3.3	3.2	5.6	7.1
Ethiopia				
Goods	9.3	7.9	10.8	10.5
Goods and Services	6.3	5.4	7.3	7.4
Gambia				
Goods	1.4	1.2	0.7	1.0
Goods and Services	1.0	0.9	0.6	0.8
Malawi				
Goods	11.4	12.0	9.2	NA
Goods and Services	7.4	7.5	5.8	NA
Mali				
Goods	13.7	9.4	9.3	41.1
Goods and Services	10.4	7.3	7.1	33.8
Niger				
Goods	4.3	15.8	10.5	NA
Goods and Services	3.4	11.8	8.3	NA
Rwanda				
Goods	0.2	0.9	1.2	0.6
Goods and Services	0.2	0.8	1.1	0.6
Somalia				
Goods	4.6	17.5	14.7	20.5
Goods and Services	3.6	13.2	11.3	14.9
Sudan				
Goods	14.3	19.6	27.9	24.6
Goods and Services	13.1	16.9	22.5	20.5
Tanzania				
Goods	8.5	7.7	9.6	9.3
Goods and Services	6.8	6.3	7.3	7.0
Uganda				
Goods	5.5	4.9	9.8	5.4
Goods and Services	5.2	4.6	9.2	5.2
Upper Volta				
Goods	6.8	4.6	NA	NA
Goods and Services	5.1	3.5	NA	NA

[1] There are no reliable debt service data for the 15 LLDCs not included here.
[2] Exports of goods.
[3] Exports of goods and services.

Although debt service schedules for most of the least developed countries have remained at modest levels because of grants and concessional aid (nearly all of which come from non-Communist sources), repayments on private credits are nonetheless important for most of these nations. The use of suppliers' credits—often with quite stiff repayment terms—offers to the LLDCs some of the same attractions in terms of freedom of purchasing decisions and ready availability of capital that have lured more prosperous LDCs to private capital markets. The apparent widespread use of such credits has meant that, for nearly all the 19 LLDCs surveyed, service payments on private credits usually represent 40 percent or more of total repayments. **The Gambia** and **Upper Volta**, on the other hand, appear to have little or no private debt outstanding.

On balance, despite a few potential problem cases, the LLDCs are the Third World group least likely to contribute either to international financial instability or unpredictable rescheduling problems. Although most have limited export prospects, repayment schedules should also grow only modestly. The small size of individual liabilities, the predominance of official credits in the stock of debt, and the fact that most private credits are tied to specific projects would suggest that any renegotiation, if needed, could easily be managed under existing creditor club precedents.

In international discussions of LDC debt, the least developed countries—with the exception of Bangladesh and Tanzania—have kept a low profile, letting other Third World countries plead their cause. This low level of concern exists despite G-77 proposals for generalized, across-the-board debt relief including provisions for special help in reducing LLDC bilateral debts (those owed to other foreign governments).

The relative lack of interest on the part of LLDCs must stem in part from their minimal foreign debts and low debt service ratios. G-77 proposals bear little relevance to these countries' economic needs despite the inclusion of "special help" features for the LLDCs. Except for **Bangladesh** and **Tanzania,** any support that LLDCs give to G-77 demands will mostly arise from (a) a poor grasp of the country-specific impacts of particular proposals; or (b) a commitment to Third World solidarity. In the case of **Bangladesh**, it sided with its South Asian neighbors—India and Pakistan—in pushing for relief from bilateral debts. It probably hopes this pressure will somehow increase the flow of resources from developed countries. **Tanzania** stands out as a country whose position on the debt relief issue represents its ideological goal of economic self-reliance. Tanzania believes that any debt cancellations or a moratorium on debt service payments would reduce the "onerous" dependence of developing countries on foreign lenders.

Access to Concessional Aid

The LLDCs' access to concessional aid has improved substantially since the 1972 UNCTAD session in Santiago, where it was agreed that donor countries should direct a greater portion of their bilateral assistance to the poorest countries. In the period since the UNCTAD conference, DAC flows to the LLDCs have grown about twice as fast as those to all LDCs. OPEC bilateral flows have become an important source of financial support for some countries in the group, while Communist assistance—small by any scale—was less in 1976 than it had been in 1973 (see table 11).

As a group, the DAC countries responded positively to the initiative of the Santiago conference, although concessional aid did fall victim to sluggish global conditions in 1976. During 1972-76, the proportion of total DAC concessional aid going to the LLDCs rose from 12 to 16 percent. DAC members also provided a considerable volume of aid on concessional terms to the LLDCs through multilateral agencies; in 1976 alone, these flows amounted to over $900 million. In addition, DAC countries agreed to implement the Special Action Program for Poorer Countries at the June 1977 Conference on International Economic Cooperation. Consequently, flows to these countries should resume their upward trend.

Resource flows from OPEC countries have become increasingly important, especially for the Muslim LLDCs. Between 1974 and 1976, concessional flows totaled almost $1.4 billion. Principal beneficiaries (more than $100 million total) have been **Bangladesh, Sudan, Tanzania,** and the **Yemens**. Interestingly, *total* OPEC disbursed official development assistance to all recipients fell off in 1976, but the sums reached a new high for the LLDCs in that year.

Table 11

Least Developed Countries: Official Aid Flows [1]

Million US $

	Bilateral				Multilateral
	DAC Countries	OPEC	Communist Countries	Total	Total
1970	387	Negl	90	477	NA
1971	481	Negl	175	656	NA
1972	786	Negl	215	1,001	161
1973	1,096	Negl	255	1,351	252
1974	1,393	350	170	1,913	323
1975	1,990	345	140	2,475	615
1976	1,508	650	165	2,323	932

[1] Disbursed.

Commodity Price Stabilization and the Common Fund

The LLDCs as a group are no more—and no less—sensitive to terms-of-trade questions than their Third World neighbors. Furthermore, the LLDCs neither stand out as strong advocates for changes in the operation of existing commodity markets, nor do they oppose the demands made by the G-77 for new international commodity agreements and a Common Fund.

On the surface, the G-77 approach is appealing to the LLDCs. Of the 18 commodities for which international agreements are being discussed under UNCTAD auspices, 14 are important exports for at least one LLDC (the exceptions are iron ore, manganese, phosphates, and rubber). For the 23 LLDCs for which data are available, LLDC dependence on the 14 commodities varies widely (see table 12). Three countries—**The Gambia, Guinea,** and **Uganda**—derive some 95 percent of their export earnings from these commodities. Only three of the 23 LLDCs show a dependence of less than 40 percent of export earnings on one or more of the 14. Moreover, each of these three countries is highly dependent on one commodity that happens not to be included in the UNCTAD discussions: fish (**South Yemen**), natural gas (**Afghanistan**), and uranium (**Niger**). Out of the 14 commodities, five stand out as most important to the LLDCs because they are key foreign exchange earners for three or more countries. In order of importance, they are cotton, coffee, vegetable oils and oilseeds, meat, and tea. Cotton, for example, provides more than 20 percent of total export earnings for seven LLDCs and yields sizable foreign exchange for seven others. Coffee is next most important: a significant export of 11 of these states, it accounts for more than 20 percent of earnings for six.

Of the 18 commodities, only six—cocoa, coffee, copper, rubber, sugar, and tin—either have existing international agreements with buffer stocking arrangements or offer some hope in the near term of agreements with buffer stocks. Of these six commodities, only coffee is a significant export of several of the LLDCs. Four of the remaining five commodites are important to only a few countries: cocoa (**Benin** and **Western Samoa**), copper (**Botswana** and **Uganda**), sugar (**Haiti** and **Malawi**), and tin (**Rwanda**). None of the LLDCs export rubber. Thus, while the UNCTAD commodities are generally important to the LLDCs, the few commodities that seem likely to have international agreements with buffer stocks are *not*—with the exception of coffee—of major importance to them.

While all this suggests the fairly important role the UNCTAD commodities play, international commodity agreements—even if they were to meet the wildest of Third World expectations—would not by themselves provide significant economic gains for most of the LLDCs. Many of these countries are landlocked, and this puts them at a distinct cost disadvantage vis-a-vis other Third World producers. Furthermore, many lack the technical ability to expand production significantly over the near to medium term.

Partly in an effort to meet their special problems, the G-77 Common Fund proposals include the creation of a development assistance facility—the so-called "second window"—as a part of the Fund. (The "first window" would finance commodity buffer stocks.) The purpose of a second window is to finance projects related to the commodities field. These could include, among other things, market access improvements (a particularly important item to landlocked countries), research and development, and export diversification. Because the second window seemingly offers something for everyone and would create an increased transfer of resources from developed to developing countries, it has fairly widespread support in the Third World. Strongest supporters are South Asian and African countries—many of them LLDCs—that see the second window as "their" part of any Common Fund.

Trade Preferences

LLDCs would realize only marginal benefits from an increase in trade preferences on developed countries' markets. Most of their main exports already face relatively few tariff obstacles. The principal bottlenecks to increased LLDC exports are a lack of skilled labor, inadequate institutional support, poor technical and

Table 12

Selected Least Developed Countries: Export Shares of UNCTAD[1] Designated Commodities, 1976

Percent

	Coffee	Cocoa	Tea	Sugar	Cotton	Jute and Products	Copper	Tin	Bananas	Bauxite	Hard Fibers and Products	Meat	Tropical Timber	Vegetable Oils (Including Oilseeds)	Commodities Share of Total Export Earnings[2]
Afghanistan					31										31[3]
Bangladesh			4			75									79
Benin	5	19			28									28	80
Botswana							20					33			53
Burundi	84		3		4										91
Central African Empire	23				17								29		69
Chad					65							21			86
Ethiopia	33											6		18	57
Gambia					1									94	95
Guinea										97					97
Haiti	25			13						14	4				56
Laos	12												80		92
Malawi				12	2									8	40[3]
Mali			18		31							21		13	83
Niger												6		5	11[3]
North Yemen	16				48										64[4]
Rwanda	68							15							83
Somalia									19			62			81
South Yemen	9				6										15[3]
Sudan					50									29	79
Tanzania	18				11						11				40[3]
Uganda	88		3		7		2								100
Upper Volta					23							27		23	73
Western Samoa		41							4				2		47[3]

[1]Only 14 of the 18 key commodities in UNCTAD's integrated program are listed here. The other four, maganese, iron ore, phosphates, and rubber, are not produced in significant quantities by any LLDC.

[2]Shares represent minimums, since shares are not given for commodities which rank less than fifth in a country's total exports.

[3]Where UNCTAD-designated commodities represent less than 50 percent of a country's exports, there is generally a single nondesignated commodity with a preponderant position in the country's export structure. In Afghanistan it is natural gas; Malawi, tobacco; Niger, uranium; South Yemen and Western Samoa, fish; and Tanzania, diamonds.

[4]Total exports do not include petroleum reexports.

marketing expertise, and, frequently, the absence of active government policies aimed at export expansion. The combination of these factors has prevented the LLDCs from taking advantage of the considerable trade preferences they currently enjoy.

All LLDCs are now eligible for Generalized System of Preferences (GSP) granted by Japan and the EC. Under the US scheme, **Laos** and **Uganda** are the only LLDCs excluded. In addition, several developed countries have recently taken steps to favor the LLDCs through further preferences—where feasible—within the structure of their GSP schemes. In 1975, Norway expanded its scheme to allow all LLDC exports duty-free treatment. More recently, the EC exempted LLDCs from the application of maximum country amounts for certain products.

The LLDCs benefit from other trade advantages as well. Twenty-one of them are signatories to the Lome Convention, which eliminates EC quotas for certain of their primary product exports. On the international plane, the UNCTAD/GATT[15] International Trade Center devotes special attention to promoting LLDC exports and long-term export potential. In 1976, roughly two-thirds of the LLDCs received technical assistance, emphasizing the development of trade based on new end-uses for traditional products, the development of new products, and the identification of markets for all exports.

Few LLDCs have been affected adversely by eligibility criteria established within the various preference schemes. Only three of the LLDCs, for example, have had certain of their exports declared ineligible for further US GSP preferences by exceeding so-called "competitive need" criteria. **Haitian** exports of baseballs were declared ineligible in 1977 after capturing 50 percent of the US market in the previous year. Somalian exports of crude meerschaum[16] were declared ineligible under the same criteria, even though exports of this product to the US amounted to only $19,000 in 1976. **Botswana** also lost preferences for its copper exports to the US when these exceeded $25 million in 1976. In general, however, competitive need criteria work to the advantage of LLDCs since they are, after all, designed to benefit the exports of a country attempting to penetrate a market in which other countries are already highly competitive.

There are, of course, certain exclusions from duty-free treatment in the developed country preference schemes which affect all LDCs. Agricultural product coverage is thin in the Japanese scheme and, to a lesser extent, in that of the EC. In addition, all developed country schemes exclude preferences for certain industrial raw materials. From the LLDC vantage, however, the most important exclusion is that for cotton textiles and clothing, since many LLDCs, insofar as they have progressed at all in manufactures exports, have made their first start in these lines.

Food Supply Problems

LLDC agriculture is generally subsistence in character. The traditional low yields tend to rise slowly, if at all—despite the fact that most of the labor force is in farming or animal husbandry. As a result, most LLDCs must rely on substantial food imports. Within these broad generalizations, particular country patterns differ considerably:

- Two countries—**Malawi** and **Sudan**—showed improved per capita food production over the period 1970-76 (see table 13). The application of new techniques was an important factor in the gains.
- Food production per capita fell in **Mali**, **Niger**, and **Upper Volta**—countries in the Sahel—because of persistent drought during the early 1970s. The disruption of existing agricultural patterns that took place suggests that full recovery will be a drawnout process.
- While several LLDCs, including **Afghanistan**, **Bhutan**, and **Nepal**, have minimal food imports, none of these states has the requisite resources to generate sustained economic growth through transformation of their subsistence agricultural sectors.
- In **Ethiopia** and **Uganda**, food production per capita declined sharply because of political problems. These countries, however, have

[15] GATT: General Agreement on Tariffs and Trade.

[16] Meerschaum is clay that is used to make pipes for tobacco smoking.

Table 13

Selected Least Developed Countries: Per Capita Food Production

	Index: 1961-65=100							Percent Change 1976 over 1970
	1970	1971	1972	1973	1974	1975	1976	
Bangladesh	96	84	81	92	88	95	93	−3.1
Benin	93	89	90	94	97	87	86	−7.5
Burundi	116	118	118	115	93	112	108	−6.9
Ethiopia	100	99	92	88	87	77	78	−22.0
Guinea	108	111	109	109	108	107	106	−1.9
Haiti	91	94	94	90	89	84	84	−7.7
Malawi	96	108	118	109	110	97	103	7.3
Mali	88	82	68	61	63	68	72	−18.2
Niger	96	89	74	54	69	62	71	−26.0
Rwanda	123	121	114	117	101	109	103	−16.3
Sudan	111	115	107	101	111	114	118	6.3
Tanzania	103	104	105	103	93	103	105	1.9
Uganda	101	97	93	88	88	80	78	−22.8
Upper Volta	78	69	66	63	75	73	68	−12.8

comparatively small imports. As soon as internal strife ceases, these countries may be able to achieve some gains in agriculture.

While a good deal of attention has been attached to creating global reserves for meeting food needs, the problems of stimulating farm production in countries like the LLDCs are largely beyond the reach of any of the general proposals in this area. What should be of more concern, however, is that the heavy dependence on agriculture and the basic resource endowment of the LLDCs combine to establish limits on growth for most of them. Because of the major educational and institutional problems in stimulating agricultural output, very few countries anywhere have ever sustained long-term growth rates in this sector in excess of 7 percent.[17] Moreover, those that were able to propel farming growth at more than a steady 5 percent have usually had the benefit of high literacy rates, high domestic saving rates, and considerable foreign technology or technical assistance. These preconditions are generally absent in the LLDCs. What they can realistically hope for is a price gain for export crops or a major development project that permits the introduction of new product lines within and outside agriculture. This, for instance, is what helped boost the Sudanese economy. Not all of the LLDCs will be able to take full advantage of these openings when they occur. On the other hand, no near term solutions—short of generally unacceptable foreign plantations—offer brighter prospects.

FUNCTIONALITY OF COUNTRY GROUPINGS

The concept of selecting country groups for special attention in aid disbursements or economic concessions has had a fair testing period. The LLDC list and the roughly comparable group of most seriously affected (MSA) countries have both been subjected to the trials of stress and growth opportunity. At various points, attention has also been drawn to the landlocked countries and the island nations in aspects of the North-South dialogue. These experiences clearly demonstrate that there are serious limitations to trying to use such approaches in anything more than a notional way. The exception may be the landlocked countries in the rather narrow application of improving political relations and transport facilities so as to reduce their foreign payments for services.

[17] Data in this paragraph pertain to national accounts—on a value-added basis—and should not be confused with gross product data presented in table 5.

The LLDC concept was intended as an improvement over the simpler low-income grouping. The additional inputs of literacy and manufacturing criteria were supposed to help point at those countries that had the greatest institutional impediments to development. On balance, the broad weight of the original argument that the countries selected would be slow growers is still true. On the other hand, there is no basis for confidence that these criteria alone would direct aid money where it is most needed when most of the truly poorest people in the world have been excluded because of the literacy criterion (literacy rates in India, Pakistan, and Burma are too high to permit their selection as an LLDC). Moreover, the exceptional growth of several of the LLDCs calls into question the notion that living standards can only improve if significant sustained gains are made in industrialization.

Beyond its more subjective politicism, the MSA concept also suffered from a bad fit in getting funds where they were most needed to help in overcoming the setback from the oil price increases. Never intended to be used as a basis for development aid allocation, it was especially sensitive to the needs of those countries that were relatively less affected by shocks from the costs of commercial energy imports. For some period, the preoccupation with the MSAs deflected concern from the middle-income LDCs, which were not particularly large aid recipients and had yet to solidly establish themselves on foreign private capital markets.

The instances of lower living standard indicators outside the LLDC group and the particular shape of periodic stresses in the international economy probably precludes the specification of any *country* groupings that would stand up well as simple devices for channeling resource transfers. On the other hand, data bases and overall knowledge of the framework of economic systems are improving in ways that suggest it will be easier for multilateral institutions to set sector or functional targets for development. An approach using these improvements will doubtless fit better with the basic human needs strategy that the United States and other developed countries' governments are increasingly advocating.

APPENDIX A

FOREIGN TRADE

Sources of Data

A variety of sources was used in compiling the LLDC trade data base for this report. The most detailed information on the composition of exports and imports is available in the United Nations *Yearbook of International Trade Statistics*, a series which includes customs data for reporting LLDCs by Standard International Trade Classification (SITC) category up to four digits. However, the latest year for which data are available varies from one LLDC to another and, more importantly, complete sets for six of the LLDCs—Bangladesh, Bhutan, Botswana, Lesotho, Maldives, and Nepal—are omitted entirely. In order to fill in gaps and to update where reporting lagged badly, we had recourse to the International Monetary Fund's standard references—*International Financial Statistics* and *Direction of Trade*—and to various reports for individual countries.

In reviewing LLDC trade data, the analyst should be aware that a significant portion of foreign trade for nearly all these countries goes unrecorded and deficiencies exist in the compilation of recorded data. Unmonitored border trade, for example, is known to be important in nearly all LLDCs, which makes the collection of accurate customs data virtually impossible. In countries such as Botswana and Lesotho recorded data are suspect because many towns and villages are located in areas close to South Africa; use of a common currency and absence of trade and licensing restrictions within the customs union presents particular problems. In some countries—like Chad and the Sudan—collection of customs data is hampered by the size of the country, the many points of entry and exit, and the limited manpower available for posting border crossings. Recording difficulties, of course, apply to all exports, but for certain items—such as livestock—discrepancies are particularly egregious. In most of the African LLDCs where animal husbandry is essentially a nomadic occupation, geographical boundaries mean little. In Chad, for example, unrecorded exports of cattle are believed to be four times those recorded.

While it is, of course, impossible to identify net gainers and losers among the LLDCs from smuggling operations, the more glaring examples provide some appreciation of the scale of the problem. Trade data in Guinea, for instance, are notoriously bad for nonmineral exports. Low administered prices encourage large-scale border trade in coffee, diamonds, and palm kernels. Recorded exports of Guinean coffee dropped from 7,000 tons in 1973 to less than 1,000 tons in 1976, despite increased production over the period. For The Gambia, on the other hand, it is estimated that some 20,000 tons of groundnut exports actually originate in Senegal. In Benin, cocoa has ranked among the country's principal exports even though it is not grown there; instead, virtually all of it is obtained in border trade with Nigerian farmers.

As a general rule, import data for LLDCs are probably more reliable than export data, but there are problems here as well. In those LLDCs where transit trade is important, it is often difficult to separate items ultimately reexported from imports. In a few countries where migrant labor is important, a sizable share of imports consists of goods declared by returning workers, the value of which is seldom verified. In Lesotho, such items account for up to 25 percent of total imports. In a number of LLDCs, petroleum imports are

thought to be underreported because of undervaluation in customs records.

In accordance with standard balance of payments concepts, customs data are usually adjusted wherever possible for valuation, coverage, and timing. These adjustments result in very substantial differences between customs and balance of payments entries for exports and imports. However, since adjustments can be made only for aggregate data, discussions of the composition of trade must be in terms of customs data. In some cases, LLDC balance of payments data are seriously deficient because of peculiarities in the financing of portions of foreign trade. In Sudan, for example, balance of payments entries compiled on the basis of exchange control data do not reflect movements in trade credits or imports not paid for through bank transactions. Yet reliance of suppliers credits has increased, and commodities imported by Sudanese residents with foreign exchange balances abroad have increased. In Afghanistan a large proportion of external transactions are financed through a "money bazaar" and thus escape recording.

Table A-1

Selected Least Developed Countries: Principal Exports [1]

	Most Recent Year	Principal Export	Share of Total Export Earnings (Percent)
Afghanistan	1976/77	Dried fruit (raisins)	24.7
		Cotton	22.8
		Natural gas	12.2
Bangladesh	1975/76	Jute fabrics	26.2
		Jute raw	25.5
		Jute products (gunny bags)	23.1
Benin	1972	Cotton	28.0
		Cocoa	19.0
		Vegetable oil	16.0
		Oilseeds	12.0
Botswana	1975	Meat	32.9
		Diamonds	29.3
		Copper/nickel	20.4
Burundi	1974	Coffee	84.0
Cape Verde	1974	Fish	47.1
Central African Empire	1975	Shaped wood	29.0
		Coffee	23.0
		Diamonds	19.0
		Cotton	17.0
Chad	1975	Cotton	64.9
		Meat	16.5
Comoros	1976	Cloves	36.4
		Perfume essences	29.4
		Vanilla	20.8
Ethiopia	1975	Coffee	32.6
		Oilseeds	17.9
		Pulses	13.9
Gambia	1975/76	Oilseeds and vegetable oil	94.0
Guinea	1976	Bauxite	67.0
		Alumina	28.0
Haiti	1975	Coffee	25.0
		Bauxite	14.0
		Sugar	13.0

Table A-1

Selected Least Developed Countries: Principal Exports [1] (Continued)

	Most Recent Year	Principal Export	Share of Total Export Earnings (Percent)
Laos	1974	Shaped wood	80.0
		Tin	11.0
Malawi	1976	Tobacco	44.0
		Tea	18.0
		Sugar	12.0
Maldives	1974	Fish	97.0
Mali	1975	Cotton	31.0
		Livestock	21.0
		Oilseeds	13.0
		Miscellaneous manufactures	10.0
Nepal	1975/76	Rice	41.0
		Jute	10.0
Niger	1976	Uranium	73.0
North Yemen	1975/76	Cotton	48.0
		Hides	16.0
		Coffee	16.0
Rwanda	1976	Coffee	68.0
		Nonferrous metals (Cassiterite and wolfram)	15.0
Somalia	1974	Livestock	62.0
		Bananas	19.0
South Yemen	1974	Fish	53.0
Sudan	1976	Cotton	50.0
		Oilseeds	29.0
Tanzania	1975	Coffee	18.0
		Cloves	12.0
		Sisal	11.0
		Cotton	11.0
Uganda	1976	Coffee	88.0
Upper Volta	1976	Livestock	25.0
		Oilseeds	23.0
		Cotton	23.0
Western Samoa	1976	Cocoa	41.0
		Copra	36.0

[1] Exports that account for at least 10 percent of total export earnings.

Exports of Manufactures

Since none of the standard trade manuals provides up-to-date data in sufficient detail to assess LLDC progress in expanding exports of manufactures, it was necessary to rely on other sources for this purpose. By using computer facilities to aggregate the trade reports of 18 developed countries with each of the LLDCs for the 1970-76 period, we were able to identify those LLDCs that had made progress recently on the manufactures account.[18] There are, of course, some pitfalls in this method as a result of significant differences in timing and valuation and, more importantly, the exclusion of all trade with other LDCs and Communist countries. The LLDCs, however, do ship the bulk of their exports to the OECD 18. Only five LLDCs—Bangladesh, Laos, Nepal, North Yemen, and Somalia—ship less than half to these countries.

In the OECD 18 trade returns, Haiti immediately surfaces as the only LLDC to have expanded exports of manufactures over a wide range of products. Haitian exports of chemicals, mainly essential oils, expanded somewhat erratically from $3.8 million in 1970 to $10.9 million in 1976. Exports of textiles fabrics rose rapidly from $2.5 million in 1970 to $17.7 million in 1974, as Haiti was quick to exploit growing markets for high-quality denim in the United States and the EC. Recession in developed countries, however, forced Haitian textiles into a steep slump in the following two years. Export receipts from textiles fabrics amounted to only $6.6 million in 1976. Haiti has also experienced a boom in exports of light machinery assembled from imported inputs. From receipts of less than $1 million in 1970, exports of mechanical and electrical assemblies reached $26 million in 1976, after a brief downturn in 1975. Exports of miscellaneous manufactures also registered dramatic gains, enjoying an uninterrupted climb from $8.2 million in 1970 to $68.6 million in 1976. About one-half of this gain represents clothing and the remainder sporting goods, mainly baseballs and softballs, and various miscellaneous items.

Other LLDCs have shown some progress with exports of specific lines of manufactures. Among the larger LLDCs, Afghanistan has clearly outperformed the rest, posting steady gains from sales of cotton textiles and clothing. Cotton textiles exports grew from $6.1 million in 1970 to nearly $28.3 million in 1976. Clothing exports, mainly nonfur items, grew from less than $500,000 in 1970 to $3.1 million in 1976. The country's footwear exports, though still extremely small—some $200,000 in 1976—have maintained an upward trend since 1972.

Bangladesh, with by far the largest population among the LLDCs, has made disappointing progress in expanding the range of light industry exports to developed countries. Manufacturing in Bangladesh is still heavily reliant on traditional products, such as gunny bags and jute fabrics, for which there seems little growth potential in developed country markets.

Ethiopia, with the second largest population among the LLDCs, also had a disappointing performance in exports of manufactures, particularly in the 1974-76 period. This was due to the recession in the developed countries and to severe internal strife. Exports of woven cotton fabrics and clothing, though small, had shown promise in 1974, but have since dropped steadily.

Tanzanian industry was also hit by recession. The country had been making steady progress in textiles exports up to 1974. Receipts from this category rose from $4 million in 1970 to $21 million in 1974, but dropped to $15 million in 1976.

Among the smaller LDCs, the fastest movers in textiles and/or miscellaneous manufactures have been Benin and Nepal. Benin's exports of clothing jumped to $1.5 million in 1976 from only $0.1 million the previous year. Nepal's textile exports have grown rapidly over the last few years and in 1976 reached $2 million. The country has also made steady progress in miscellaneous manufactures exports from an extremely small base. Chad, The Gambia, Laos, Upper Volta, and Western Samoa have also shown some progress in these lines in recent years, although in no case do receipts from these items exceed $1 million.

Only a few of the LLDCs have made any progress in exports of light machinery to developed countries. Sudan has had fairly steady

[18] Hereafter referred to as the "OECD 18." See footnote to table A.7 in appendix A for a listing of these countries.

growth in this line from a low base; in 1976 its machinery exports amounted to $3.5 million. Malawi has seen steady growth in sales of nonelectrical machinery, which climbed to nearly $2 million in 1976. In Mali, where nonelectrical machinery is a new item, sales also reached nearly $2 million in 1976. Uganda ventured onto the electrical machinery market in 1976 with sales of $1 million. Tanzania has also made a start in this line, but exports were only about $500,000 in 1976. Niger, the only LLDC whose principal manufactures exports are in chemicals, shipped to the OECD 18 carbonates, caustic soda, cosmetics, natural indigo, pesticides, and synthetic dyes, valued at a total of $3.3 million in 1976.

Imports of Manufactures

OECD 18 trade data were also used to assess recent LLDC performance on the import side. This raises fewer problems than on the export side, since all LLDCs presumably obtain the vast majority of manufactures imports (SITC categories 5-8) from the OECD 18 countries.

OECD 18 trade returns confirm that LLDCs by and large increased their purchases of basic manufactures, chemicals, and machinery and transport equipment during the 1970-76 period. For each LLDC except Bangladesh, these categories accounted for more than half of total imports from the OECD 18 in 1976. For 10 LLDCs, these categories accounted for over 80 percent of total imports from the OECD group.

The most impressive increases in imports have been in machinery and transport equipment. LLDC imports of these items from the OECD group grew at an average annual rate of 24 percent from 1971 through 1976. Among the LLDCs having the fastest growth in purchases of these items were Bangladesh, Rwanda, Sudan, and the Yemens. The bulk of these purchases consist of capital goods. Only in the Central African Empire, one of the two countries where machinery and transport equipment purchases declined over the period, did passenger vehicles constitute a significant portion of machinery and transport imports.

Table A-2

Selected Least Developed Countries: Import Growth Rates, 1971-76

	Percent
High Growth (20 percent or more)	
Bangladesh	25.4 [1]
Benin	23.1
Gambia	24.4
Haiti	31.8
Maldives	68.2 [1]
Mali	29.7
Niger	20.0
North Yemen	53.1
Rwanda	23.9
Somalia	24.2
Sudan	22.7
Moderate Growth (10 percent to 19.9 percent)	
Afghanistan	18.1
Burundi	17.5
Cape Verde	16.8 [2]
Ethiopia	15.6
Guinea	14.4
Malawi	14.0
Nepal	10.4
Tanzania	12.8
Upper Volta	19.8
Western Samoa	15.0
Low Growth (Less than 10 percent)	
Central African Empire	7.2
Chad	6.9
Comoros	4.3
Laos	−6.3
South Yemen	4.0
Uganda	−1.2

[1] 1973-76.
[2] 1971-74.

Table A-3

Least Developed Countries: Grain Imports

Million US $

	Annual Average 1961-65	1972	1973	1974	1975	1976	Annual Average 1972-76
Afghanistan	7	15	2	0	2	2	4
Bangladesh	67	144	373	387	474	269	329
Benin	1	5	4	3	3	7	4
Bhutan	1	1	1	1	1	1	1
Botswana	3	7	7	3	8	5	6
Burundi	1	2	1	2	3	3	2
Cape Verde	1	4	5	6	7	8	6
Central African Empire	1	1	2	1	4	3	2
Chad	1	2	4	10	3	5	5
Comoros	1	2	3	8	4	4	4
Ethiopia	1	1	2	1	1	3	2
Gambia	1	1	2	3	6	11	5
Guinea	6	6	10	17	20	8	12
Haiti	4	4	11	18	19	28	16
Laos	11	8	11	13	5	27	13
Lesotho	1	2	4	5	5	5	4
Malawi	1	3	4	4	7	7	5
Maldives	0	0	1	1	1	1	1
Mali	1	7	25	52	24	11	24
Nepal	0	0	0	3	0	0	1
Niger	1	2	7	24	5	15	11
North Yemen	1	18	24	36	57	96	46
Rwanda	0	1	1	1	3	3	2
Somalia	5	7	8	14	32	22	17
South Yemen	11	10	18	40	24	24	23
Sudan	9	16	26	28	23	36	26
Tanzania	8	13	5	109	108	15	50
Uganda	4	6	3	10	2	4	5
Upper Volta	1	4	5	11	7	8	7
Western Samoa	0	1	1	1	1	1	1

Table A-4

Selected Least Developed Countries: Net Grain Imports as a Share of Domestic Grain Consumption

	Annual Average (Percent)		Annual Average Change (Percentage Points)	
	1961-65	1971-76	1961-65 to 1971-76	1970-76
Highly Dependent (15 percent or more in 1976)				
Botswana	47	45	−2	−61
Cape Verde	42	89	47	−34
Comoros	44	52	8	−18
Gambia	11	16	5	21
Lesotho	4	19	15	−1
Maldives	99	99	0	0
Somalia	16	26	10	11
South Yemen	51	53	2	−15
Western Samoa	100	100	0	0
Moderately Dependent (4 percent to 14.9 percent in 1976)				
Bangladesh	5	10	5	−2
Benin	3	6	3	4
Central African Empire	7	11	4	7
Guinea	8	7	−1	0
Haiti	9	12	3	6
Laos	15	8	−7	5
Mali	NA	11	11	2
North Yemen	NA	12	12	3
Sudan	2	5	3	−4
Tanzania	8	8	0	0
Upper Volta	1	4	3	0
Least Dependent (Less than 4 percent 1976)				
Afghanistan	2	3	1	−3
Bhutan	−5	−4	1	0
Burundi	2	3	1	−1
Chad	1	3	2	2
Malawi	−1	NA	1	2
Nepal	−10	−4	6	1
Niger	−3	NA	3	1
Rwanda	NA	3	3	−1
Uganda	2	2	0	−2

Table A-5

Selected Least Developed Countries: Comparative Terms of Trade

Index: 1970 = 100

	1971	1972	1973	1974	1975	1976
LLDC Average						
Exports	103	111	142	188	182	207
Imports	107	116	142	188	213	212
Terms of Trade	96	96	100	100	85	98
Afghanistan						
Exports	103	116	156	197	200	208
Imports	106	115	139	187	207	200
Terms of Trade	97	101	112	105	97	104
Benin						
Exports	101	100	139	222	193	188
Imports	106	117	144	176	198	201
Terms of Trade	95	85	97	126	97	94
Central African Empire						
Exports	104	115	140	179	176	208
Imports	108	118	143	174	195	193
Terms of Trade	96	97	98	103	90	108
Chad						
Exports	110	125	149	204	186	206
Imports	110	120	148	205	238	233
Terms of Trade	100	104	100	100	78	88
Ethiopia						
Exports	97	107	141	162	159	221
Imports	107	116	139	189	212	212
Terms of Trade	91	92	101	86	75	104
Gambia						
Exports	113	111	163	243	231	193
Imports	107	119	146	183	204	206
Terms of Trade	106	93	112	133	113	94
Haiti						
Exports	99	106	132	174	185	204
Imports	109	118	144	188	206	204
Terms of Trade	91	90	92	93	90	100
Laos						
Exports	95	139	170	182	166	191
Imports	108	114	144	204	233	242
Terms of Trade	88	122	118	89	71	79
Malawi						
Exports	107	110	130	171	198	185
Imports	107	114	141	181	205	204
Terms of Trade	100	96	92	94	97	91
Mali						
Exports	107	121	157	191	165	195
Imports	109	120	148	202	240	226
Terms of Trade	98	101	106	95	81	86
Niger						
Exports	108	115	168	220	216	196
Imports	107	118	145	182	206	203
Terms of Trade	101	97	116	121	105	97

Table A-5

Selected Least Developed Countries: Comparative Terms of Trade (Continued)

Index: 1970 = 100

	1971	1972	1973	1974	1975	1976
Rwanda						
Exports	93	98	122	144	144	204
Imports	108	116	142	182	203	201
Terms of Trade	86	84	86	79	71	101
Somalia						
Exports	104	122	159	165	184	178
Imports	105	114	146	195	211	211
Terms of Trade	99	107	109	85	87	84
Sudan						
Exports	110	120	148	214	198	209
Imports	108	117	146	193	218	217
Terms of Trade	102	103	101	111	91	96
Tanzania						
Exports	102	110	144	203	207	224
Imports	107	114	139	185	210	213
Terms of Trade	95	96	104	110	99	105
Uganda						
Exports	96	103	128	157	146	209
Imports	107	117	141	174	199	197
Terms of Trade	90	88	91	90	73	106
Upper Volta						
Exports	107	121	161	204	204	198
Imports	108	118	146	190	217	215
Terms of Trade	99	103	110	107	94	92
Western Samoa						
Exports	99	100	145	203	203	191
Imports	110	123	150	191	213	208
Terms of Trade	90	81	97	106	95	92
Non-OPEC LDC Average						
Exports	101	107	144	200	204	205
Imports	105	114	142	200	221	221
Terms of Trade	96	94	101	100	92	93

Table A-6

Selected Least Developed Countries: Share of Total Trade with OECD and Communist Countries

Percent

	Exports, f.o.b.				Imports, f.o.b.			
	1960	1965	1970	1975	1960	1965	1970	1975
Afghanistan								
OECD	30	41	33	29	32	38	38	53
Communist	18	28	39	17	16	51	34	17
Bangladesh								
OECD	NA	NA	58 [1]	45	NA	NA	42 [1]	58
Communist	NA	NA	12 [1]	12	NA	NA	6 [1]	7
Benin								
OECD	91	88	80	62 [2]	78	78	70	73 [2]
Communist	3	NA	4 [3]	13 [2]	NA	4	1	5 [2]
Burundi								
OECD	NA	NA	69	92	NA	NA	70	73
Communist	NA	NA	NA	4	NA	NA	5	8
Cape Verde								
OECD	NA	NA	83	90 [2]	NA	NA	67	66 [2]
Communist	NA	NA	NA	NA	NA	NA	NA	NA
Central African Empire								
OECD	83	74	77	86	83	88	84	90
Communist	NA	NA	NA	1	NA	1	NA	2
Chad								
OECD	74	76	74	77 [2]	76	74	62	61 [2]
Communist	NA	NA	NA	NA	1	2	2	1 [2]
Comoros								
OECD	NA	NA	86 [3]	91	NA	NA	57 [3]	59
Communist	NA	NA	NA	NA	NA	NA	NA	NA
Ethiopia								
OECD	67	82	79	54	76	80	77	76
Communist	1	2	1	4	5	6	5	5
Gambia								
OECD	45	60	97	92	63	69	67	57
Communist	NA	NA	NA	NA	NA	NA	17	20
Guinea								
OECD	65	87	97	89	48	94	97	88
Communist	25	NA	NA	NA	17	NA	NA	NA
Haiti								
OECD	98	100	98	98	91	88	85	86
Communist	NA	NA	NA	NA	3	6	3	1
Laos								
OECD	NA	10	29	30 [2]	82	51	53	52 [2]
Communist	NA	NA	NA	NA	NA	NA	1	NA
Malawi								
OECD	NA	71	56	69	NA	51	53	76
Communist	NA	NA	NA	NA	NA	NA	NA	NA
Mali								
OECD	93	7	29	36	73	35	57	50
Communist	NA	4	2	22	NA	45	20	14

Table A-6

Selected Least Developed Countries: Share of Total Trade with OECD and Communist Countries (Continued)

Percent

	Exports, f.o.b. 1960	1965	1970	1975	Imports, f.o.b. 1960	1965	1970	1975
Nepal								
OECD	NA	5	17	6	NA	9	17	23
Communist	NA	NA	NA	NA	NA	NA	NA	NA
Niger								
OECD	72	63	65	81	62	73	69	79
Communist	NA	NA	NA	NA	NA	6	3	1
North Yemen								
OECD	33	31	14	27	26	57	47	49
Communist	14	53	32	53	25	23	17	15
Rwanda								
OECD	NA	NA	86	98	NA	NA	67	64
Communist	NA	NA	NA	NA	NA	NA	3	7
Somalia								
OECD	56	49	27	17	61	60	61	59
Communist	NA	NA	8[3]	6	NA	12	9	13
South Yemen								
OECD	26	41	61	84	32	40	32	27
Communist	NA	NA	NA	2	2	3	5	3
Sudan								
OECD	61	56	51	60	57	60	55	62
Communist	13	20	27	14	9	12	19	10
Tanzania								
OECD	NA	67	56	48	NA	77	58	57
Communist	NA	8	5	5	NA	5	13	11
Uganda								
OECD	63	69	68	78	45	80	56	50
Communist	4	12	5	5	NA	4	3	8
Upper Volta								
OECD	9	18	45	48	63	65	63	66
Communist	NA	NA	2	1	NA	NA	1	4
Western Samoa								
OECD	NA	NA	96	93	NA	NA	87	86
Communist	NA	NA	NA	NA	NA	NA	1	1

[1] 1972.
[2] 1974.
[3] 1971.

Table A-7

Selected Least Developed Countries: Manufactured Imports From Developed Countries[1]

	Million US $								Manufactures as a Share of Total Imports (Percent)	
	Chemicals		Basic Manufactures		Machinery and Transport Equipment		Miscellaneous Manufactures			
	1970	1976[2]	1970	1976[2]	1970	1976[2]	1970	1976[2]	1970	1976[2]
Total	**138.2**	**367.2**	**304.3**	**745.2**	**386.8**	**1,435.2**	**76.0**	**190.5**	**72**	**76**
Afghanistan	5.0	17.5	20.1	71.5	15.6	36.7	3.8	7.6	86	85
Bangladesh[3]	23.6[3]	55.8	25.4[3]	50.8	12.1[3]	76.3	1.5[3]	12.5	30[3]	49
Benin	4.6	15.7	16.8	45.5	11.1	40.1	4.3	16.2	82	74
Bhutan	NA	NA	NA	NA	NA	0.3	NA	NA	NA	68
Burundi	1.3	2.6	3.7	6.1	4.2	12.4	1.6	3.2	73	75
Central African Empire	3.2	6.5	6.8	7.3	13.7	12.6	2.7	3.6	96	86
Chad	3.5	11.0	5.5	10.5	10.0	33.1	2.9	3.9	87	79
Ethiopia	14.9	34.5	34.0	48.5	47.2	104.5	8.1	16.9	86	83
Gambia	1.1	3.6	1.9	11.5	2.3	10.2	2.6	3.3	76	68
Guinea	5.0	11.1	15.2	20.6	14.9	30.2	2.7	5.1	82	71
Haiti	6.3	12.0	14.5	45.4	13.9	59.8	6.8	34.1	90	70
Laos	1.9	0.5	5.0	2.5	8.0	6.8	1.9	1.0	78	92
Malawi	3.2	9.2	9.5	15.1	18.1	36.8	2.4	3.8	90	86
Maldives	NA	0.1	NA	0.2	NA	2.5	NA	0.3	NA	80
Mali	3.6	14.5	4.7	17.8	12.7	41.9	2.5	5.5	70	84
Nepal	1.2	2.8	3.5	5.8	5.9	9.9	0.8	2.5	97	87
Niger	2.5	7.1	10.8	43.8	11.7	39.7	2.7	6.6	78	78
North Yemen	1.9	17.2	3.7	42.8	4.7	126.9	0.6	14.0	41	63
Rwanda	1.0	3.1	4.5	11.0	3.8	20.5	1.2	3.2	87	76
Somalia	2.5	6.5	7.1	12.1	10.4	38.3	2.3	2.5	69	73
South Yemen	5.3	6.9	13.9	23.9	8.9	49.7	6.1	5.7	62	65
Sudan	19.8	66.2	28.8	124.9	55.1	408.8	3.5	17.3	81	91
Tanzania	17.3	46.8	42.4	91.0	65.9	161.1	7.5	11.0	91	85
Uganda	7.5	7.0	19.3	10.0	26.0	33.0	5.7	4.6	92	86
Upper Volta	1.8	8.4	6.4	24.7	9.5	39.2	1.3	5.3	78	79
Western Samoa	0.2	0.6	0.8	1.9	1.1	3.9	0.5	0.8	63	66

[1] Including Australia, Austria, Belgium/Luxembourg, Canada, Denmark, Finland, France, Ireland, Italy, Japan, Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom, the United States, and West Germany.

[2] Excluding Ireland.

[3] Data are for 1972.

APPENDIX B

KEY STATISTICAL SERIES

Table B-1

Least Developed Countries: Comparative Population Trends

	Crude Birth Rate (Per Thousand Population)		Population Growth Rate (Percent)	
	1960	1970	1950-75	1970-75
LLDCs				
Afghanistan	NA	50	2.1	2.4
Bangladesh	47	44	2.3	2.4
Benin	54	51	2.2	2.7
Bhutan	NA	NA	NA	2.1
Botswana	NA	44	1.7	3.6
Burundi	46	41	1.9	NA
Cape Verde	NA	NA	2.9	1.9
Central African Empire	NA	NA	1.9	NA
Chad	48	48	2.1	NA
Comoros	NA	NA	2.3	2.5
Ethiopia	NA	46	1.8	2.6
Gambia	NA	43	1.8	2.5
Guinea	NA	NA	1.7	2.4
Haiti	NA	44	1.2	1.6
Laos	NA	NA	NA	2.2
Lesotho	NA	39	NA	2.2
Malawi	NA	49	0.3	2.6
Maldives	NA	NA	2.6	2.0
Mali	61	50	1.7	2.5
Nepal	50	45	1.9	2.3
Niger	52	52	2.7	2.7
North Yemen	NA	NA	NA	2.9
Rwanda	NA	52	2.4	2.7
Somalia	NA	46	2.2	2.6
South Yemen	NA	50	NA	NA
Sudan	52	49	2.9	2.5
Tanzania	46	47	2.5	2.9
Uganda	NA	NA	3.0	3.3
Upper Volta	49	49	1.9	2.3
Western Samoa	NA	NA	2.7	1.3
Other Poor Developing Countries				
Burma	40	40	2.1	2.5
Guinea-Bissau	NA	NA	0.1	1.5
India	38	38	2.2	2.1
Indonesia	NA	48	2.2	2.6
Kenya	50	48	3.2	3.6
Madagascar	44	46	NA	NA
Mauritania	NA	44	1.8	2.6
Mozambique	NA	NA	1.9	2.3
Pakistan	46	51	2.8	3.0
Sierra Leone	NA	45	1.9	NA
Sri Lanka	36	31	2.5	2.2
Togo	55	51	2.3	2.5
Zaire	NA	44	2.4	2.8
LDC Average	NA	37	2.5	2.6

Table B-2

Least Developed Countries: Comparison of Economic Welfare

	1976			1970
	Production of Electric Power [1]	Paved Roads [2]	Radios [3]	Passenger Cars [4]
LLDCs				
Afghanistan	29	0.004	6	2
Bangladesh	18	0.028	6	NA
Benin	17	0.007	17	5
Bhutan	5	0.009	5	NA
Botswana	270	0.001	79	3
Burundi	7	0.019	26	1
Cape Verde	24	NA	105	NA
Central African Empire	38	Negl	39	NA
Chad	15	Negl	17	1
Comoros	10	0.136	115	NA
Ethiopia	17	0.002	17	1
Gambia	30	0.018	111	8
Guinea	90	0.001	24	NA
Haiti	155	0.022	64	3
Laos	80	0.005	29	NA
Lesotho	18	0.007	20	2
Malawi	50	0.013	24	2
Maldives	45	0	18	NA
Mali	15	0.001	14	1
Nepal	11	0.012	6	0.4
Niger	11	0.001	21	1
North Yemen	4	0.002	13	NA
Rwanda	8	0.005	15	1
Somalia	15	0.001	21	2
South Yemen	75	0.001	142	9
Sudan	37	Negl	35	2

	1976			1970
	Production of Electric Power [1]	Paved Roads [2]	Radios [3]	Passenger Cars [4]
Tanzania	35	0.003	15	2
Uganda	74	0.009	4	NA
Upper Volta	9	0.002	2	1
Western Samoa	165	0.132	127	NA
Other Poor Developing Countries				
Burma	26	0.005	20	1
Guinea-Bissau	33	0.012	19	NA
India	148	0.132	22	1
Indonesia	42	0.011	36	2
Kenya	72	0.007	54	9
Madagascar	60	0.007	78	6
Mauritania	74	Negl	59	4
Mozambique	64	0.004	22	NA
Pakistan	175	0.020	15	2
Sierra Leone	84	0.016	22	9
Sri Lanka	100	0.371	37	7
Togo	44	0.018	22	4
Zaire	196	Negl	4	4
Selected High Income LDCs				
Argentina	1,166	0.014	461	62
Brazil	726	0.009	285	25
Iran	589	0.007	60	10
Philippines	307	0.068	41	8
South Korea	640	0.079	86	2

[1] KWh per capita.
[2] Kilometers per square kilometer.
[3] Per one thousand people.
[4] Per one thousand people.

Table B-3

Least Developed Countries: Comparative Income Distribution Data

	Percent Share of National Income			
	Bottom 20 Percent of the Population		Top 5 Percent of the Population	
	1960	1970	1960	1970
Selected LLDCs				
Bangladesh	7.0	9.0	19.0	17.0
Benin	5.0	NA	32.0	NA
Chad	8.0	NA	23.0	NA
Malawi	NA	10.0	NA	27.0
Niger	6.0	NA	23.0	NA
Sudan	5.0	NA	21.0	NA
Tanzania	NA	5.0	NA	34.0
Selected Other Poor Developing Countries				
India	4.0	5.0	27.0	25.0
Madagascar	6.0	NA	39.0	NA
Pakistan	7.0	8.0	20.0	18.0
Sierra Leone	NA	1.0	NA	36.0
Sri Lanka	5.0	7.0	27.0	19.0
Selected High Income LDCs				
Argentina	7.0	5.0	29.0	21.0
Brazil	5.0	5.0	23.0	27.0
Iran	4.0	5.0	32.0	25.0
Philippines	5.0	4.0	29.0	25.0
South Korea	7.0	10.0	17.0	15.0

Table B-4

Least Developed Countries and Non-OPEC LDCs: Real Economic Growth [1]

Percent

	LLDCs	Non-OPEC LDCs
1960	3.5	7.4
1961	2.6	6.0
1962	5.2	4.4
1963	1.4	4.8
1964	4.6	6.9
1965	3.8	4.1
1966	3.1	4.8
1967	0.6	5.2
1968	8.2	6.8
1969	1.7	7.3
1970	4.1	7.1
1971	1.3	5.7
1972	−0.7	5.4
1973	2.7	7.4
1974	5.1	5.9
1975	3.1	4.2
1976	5.9	5.1
1960-73	3.0	5.9
1974-76	4.7	5.1

[1] Weighted by 1976 GNP.

Table B-5

Selected Least Developed Countries: Official Reserves [1] and Reserve/Import Ratios

	1973	1974	1975	1976	1977 1st Qtr	1977 2nd Qtr	1977 3rd Qtr
Afghanistan							
Reserves	61	68	125	169	172	197	241
Reserve/Import Ratio	NA	NA	NA	NA	NA	NA	NA
Bangladesh							
Reserves	143	138	148	289	280	294	271
Reserve/Import Ratio	0.18	0.14	0.13	0.32	NA	NA	NA
Benin							
Reserves	33	35	15	19	12	13	10
Reserve/Import Ratio	0.10	0.30	0.11	NA	NA	NA	NA
Burundi							
Reserves	22	15	31	49	49	39	47
Reserve/Import Ratio	0.80	0.40	0.58	1.01	NA	NA	NA
Central African Empire							
Reserves	1.7	1.[illegible]	3.8	18.8	11.9	12.9	NA
Reserve/Import Ratio	0.03	0.03	0.05	0.25	NA	NA	NA
Chad							
Reserves	1.4	15.2	3.1	23.3	23.6	29.1	NA
Reserve/Import Ratio	0.02	0.18	0.02	NA	NA	NA	NA
Ethiopia							
Reserves	177	275	288	306	284	319	273
Reserve/Import Ratio	0.99	1.10	1.02	0.89	NA	NA	NA
Gambia							
Reserves	16	28	29	21	26	31	32
Reserve/Import Ratio	0.62	0.71	0.63	0.35	NA	NA	NA
Haiti							
Reserves	17	20	13	28	41	34	NA
Reserve/Import Ratio	0.25	0.21	0.11	0.18	NA	NA	NA
Malawi							
Reserves	67	82	61	26	29	53	69
Reserve/Import Ratio	0.55	0.50	0.27	NA	NA	NA	NA
Mali							
Reserves	4.2	6.1	4.2	6.9	10.1	8.6	5.8
Reserve/Import Ratio	0.04	0.05	0.03	0.06	NA	NA	NA
Nepal							
Reserves	121	132	110	140	137	143	144
Reserve/Import Ratio	NA	NA	NA	NA	NA	NA	NA
Niger							
Reserves	51	46	50	83	81	106	104
Reserve/Import Ratio	0.45	0.32	0.54	NA	NA	NA	NA

Table B-5

Selected Least Developed Countries: Official Reserves [1] and Reserve/Import Ratios (Continued)

	1973	1974	1975	1976	1977 1st Qtr	1977 2nd Qtr	1977 3rd Qtr
North Yemen							
Reserves	127	197	338	720	840	974	1,049
Reserve/Import Ratio	NA	1.02	1.38	1.52	NA	NA	NA
Rwanda							
Reserves	16	13	29	64	66	71	84
Reserve/Import Ratio	0.48	0.23	0.36	0.61	NA	NA	NA
Somalia							
Reserves	35	42	69	85	87	90	NA
Reserve/Import Ratio	0.36	0.31	0.49	0.56	NA	NA	NA
South Yemen							
Reserves	76	68	55	82	94	98	95
Reserve/Import Ratio	0.44	0.19	NA	NA	NA	NA	NA
Sudan							
Reserves	61	124	36	24	24	23	24
Reserve/Import Ratio	0.18	0.23	0.05	0.04	0.04	NA	NA
Tanzania							
Reserves	145	50	65	112	184	238	279
Reserve/Import Ratio	0.33	0.08	0.10	0.18	NA	NA	NA
Upper Volta							
Reserves	63	84	77	71	77	78	70
Reserve/Import Ratio	0.60	0.57	0.41	NA	NA	NA	NA
Western Samoa							
Reserves	5.1	6.0	6.4	5.2	4.2	6.8	7.7
Reserve/Import Ratio	0.24	0.25	0.19	0.19	NA	NA	NA

[1] Reserves are shown in million US dollars.

Table B-6

Least Developed Countries: Comparative Data on Government Expenditures

Percent

	Government Expenditures		Military Expenditures	
	As a Share of GDP (1965-73)	Average Annual Rate of Growth (1966-73)	As a Share of 1973 GNP	As a Share of GNP (1973 over 1966)
Selected LLDCs				
Afghanistan	NA	NA	1.7	6.2
Bangladesh	12.0 [1]	12.2 [2]	0.6	NA
Benin	16.7	6.0	1.8	−2.7
Botswana	20.5	6.4	.0	NA
Burundi	8.5	9.1	2.3	57.5
Central African Empire	20.3	1.1	2.3	62.5
Chad	18.3	3.5	5.7	35.2
Ethiopia	10.0	3.7	2.5	3.3
Gambia	19.2	−0.6	.0	NA
Guinea	22.0	3.2 [3]	3.6	−17.2
Haiti	NA	NA	1.7	−10.4
Laos	NA	NA	8.9	−38.1
Lesotho	14.6	1.1	.0	NA
Malawi	14.9	8.4	0.6	35.6
Mali	16.6	2.6	2.6	4.9
Nepal	NA	NA	0.6	35.6
Niger	12.0	−0.8	0.8	10.0
North Yemen	11.8 [4]	−2.8 [5]	10.0	11.0 [6]
Rwanda	10.7	2.4	2.7	−33.3
Somalia	25.1	11.0	6.3	37.0
South Yemen	NA	NA	4.4	353.1
Sudan	21.5	9.4	3.7	56.1
Tanzania	12.0	5.2	2.2	160.7
Uganda	10.4	4.0	3.0	83.3
Upper Volta	12.7	6.9	1.4	8.5
Selected Other Poor Developing Countries				
Burma	NA	NA	6.3	−6.5
India	NA	NA	2.9	−10.9
Indonesia	7.8	7.9	2.9	142.0
Kenya	15.9	11.3	1.5	54.6
Madagascar	20.8	NA	1.6	−3.1
Mauritania	15.5	3.1	2.3	68.1
Pakistan	11.0	4.7	6.6	−25.0
Sierra Leone	7.5	3.2	1.0	48.6
Sri Lanka	13.6	2.3	0.9	10.3
Togo	6.9	8.5	1.5	28.0
Zaire	21.9	8.7	2.9	−50.9
LDC Average	14.2	6.6	3.3	26.9

[1] 1965-70.
[2] 1966-71.
[3] 1967-73.
[4] 1970-75.
[5] 1973-75.
[6] 1973 over 1968.

Table B-7

Least Developed Countries: Comparative Data on Government Revenues

Percent

	Revenue as a Share of GDP			Direct Taxes as a Share of Revenue		
	1965	1970	1973	1965	1970	1973
Selected LLDCs						
Afghanistan	6.2	7.3	7.2 [1]	13.9	8.1	8.8
Bangladesh	NA	NA	NA	NA	13.9	4.9
Benin	11.8	14.9	15.7	9.7	19.8	19.8
Botswana	14.6	15.8	23.3	25.5	43.3	23.0 [1]
Burundi	8.8	11.0	11.3	27.3	30.1	31.3
Central African Empire	16.9	15.9	20.4 [1]	25.9	25.8	25.8 [1]
Chad	12.0	17.1	14.4	27.9	23.7	29.0 [1]
Ethiopia	9.3	9.7	11.1	20.0	23.9	26.2
Gambia	18.2	20.6	20.1	9.6	10.3	10.1
Guinea	18.0	20.4	18.6	NA	30.4	25.3
Laos	4.7	9.5	5.6	7.6	8.5	11.4
Lesotho	10.2	18.9	34.9	32.2	20.9	12.0
Malawi	10.2	14.8	13.4	27.9	29.6	30.8
Mali	NA	13.1	1.6	NA	10.0	14.2
Nepal	3.3	5.3	5.5	25.2	26.4	19.1
Niger	7.2	10.8	11.4	23.8	35.0	31.5
Rwanda	8.3	8.8	8.3 [1]	41.1	25.4	29.4 [1]
Somalia	17.2	21.6	27.5 [1]	10.0	9.0	10.5 [1]
South Yemen	NA	NA	NA	20.8	19.7	26.5 [2]
Sudan	15.6	26.4	31.6 [2]	9.5	11.9	11.4 [2]
Tanzania	13.8	17.2	17.2	21.6	30.1	NA
Uganda	10.7	10.8	12.6 [1]	42.3	38.0	38.0 [2]
Upper Volta	11.0	12.0	11.7	25.3	21.9	22.6
LDC Average	16.6	19.0	19.9	34.5	36.0	40.8

[1] 1972.
[2] 1971.

Table B-8

Least Developed Countries: Debt/Repayments Positions

Million US $

	1973	1974	1975	1976	1977
Afghanistan					
Yearend Debt	712.0	769.0	787.0	1,622.0	1,750.0
Official	702.0	762.0	785.0	1,621.0	1,750.0
Private	10.0	7.0	2.0	1.0	0.0
Debt Service	32.2	39.0	23.1	22.8	32.0
Official	28.9	36.2	19.9	21.9	31.5
Private	3.3	2.8	3.2	0.9	0.5
Bangladesh					
Yearend Debt	368.0	1,063.0	1,703.0	2,106.0	2,374.0
Official	255.0	900.0	1,514.0	1,884.0	2,154.0
Private	113.0	163.0	189.0	222.0	220.0
Debt Service	13.0	36.5	86.7	101.5	105.1
Official	5.5	13.1	52.7	58.0	59.0
Private	7.5	23.4	34.0	43.5	46.1
Benin					
Yearend Debt	61.0	84.0	94.0	107.0	126.0
Official	46.0	57.0	68.0	82.0	101.0
Private	15.0	27.0	26.0	25.0	25.0
Debt Service	2.6	6.2	5.9	8.2	9.1
Official	1.5	3.7	3.6	5.6	5.9
Private	1.1	2.5	2.3	2.6	3.2
Botswana					
Yearend Debt	110.0	129.0	114.0	166.0	184.0
Official	107.0	126.0	114.0	164.0	184.0
Private	3.0	3.0	0.0	2.0	0.0
Debt Service	2.4	2.9	6.4	4.2	4.5
Official	2.1	2.6	3.5	4.2	4.5
Private	0.3	0.3	2.9	0.0	0.0
Burundi					
Yearend Debt	7.0	8.0	15.0	16.0	18.0
Official	6.0	7.0	9.0	10.0	12.0
Private	1.0	1.0	6.0	6.0	6.0
Debt Service	0.9	0.9	2.0	2.6	3.1
Official	0.5	0.6	0.6	0.7	0.8
Private	0.4	0.3	1.4	1.9	2.3
Central African Empire					
Yearend Debt	54.0	58.0	63.0	78.0	98.0
Official	40.0	49.0	57.0	69.0	89.0
Private	14.0	9.0	6.0	9.0	9.0
Debt Service	3.2	6.7	10.0	9.7	9.7
Official	2.1	3.5	6.3	7.0	7.1
Private	1.1	3.2	3.7	2.7	2.6
Chad					
Yearend Debt	38.0	56.0	70.0	81.0	96.0
Official	29.0	36.0	51.0	65.0	80.0
Private	9.0	20.0	19.0	16.0	16.0
Debt Service	3.2	3.6	6.2	9.5	10.4
Official	2.9	2.0	3.6	5.1	6.6
Private	.3	1.6	2.6	4.4	3.8
Ethiopia					
Yearend Debt	299.0	324.0	381.0	461.0	540.0
Official	268.0	294.0	351.0	436.0	516.0
Private	31.0	30.0	30.0	25.0	24.0
Debt Service	22.1	21.1	25.7	29.1	30.7
Official	15.6	16.3	18.7	22.7	25.4
Private	6.5	4.8	7.0	6.4	5.3
Gambia					
Yearend Debt	9.0	12.0	13.0	14.0	16.0
Official	9.0	12.0	13.0	14.0	16.0
Private	0.0	0.0	0.0	0.0	0.0
Debt Service	0.3	0.5	0.4	0.5	0.5
Official	0.3	0.5	0.4	0.5	0.5
Private	0.0	0.0	0.0	0.0	0.0
Lesotho					
Yearend Debt	7.0	9.0	13.0	16.0	20.0
Official	6.0	8.0	12.0	15.0	20.0
Private	1.0	1.0	1.0	1.0	0.0
Debt Service	0.5	0.3	0.4	0.5	0.4
Official	0.3	0.2	0.3	0.3	0.3
Private	0.2	0.1	0.1	0.2	0.1
Malawi					
Yearend Debt	201.0	224.0	241.0	269.0	[illegible]
Official	176.0	201.0	223.0	255.0	[illegible]
Private	25.0	23.0	18.0	14.0	15.0
Debt Service	11.0	14.2	12.7	13.1	13.9
Official	7.8	9.3	7.5	9.0	10.0
Private	3.2	4.9	5.2	4.1	3.9
Mali					
Yearend Debt	296.0	343.0	343.0	334.0	335.0
Official	276.0	320.0	321.0	312.0	312.0
Private	20.0	23.0	22.0	22.0	23.0
Debt Service	8.0	6.0	6.7	39.0	32.1
Official	4.7	2.2	3.0	33.4	[illegible]
Private	3.3	3.8	3.7	5.6	6.0

Table B-8

Least Developed Countries: Debt/Repayments Positions (Continued)

Million US $

	1973	1974	1975	1976	1977
Niger					
Yearend Debt	75.0	102.0	112.0	119.0	129.0
Official	64.0	84.0	100.0	107.0	117.0
Private	11.0	18.0	12.0	12.0	12.0
Debt Service	4.3	12.9	14.5	8.0	7.9
Official	2.9	3.9	5.4	5.9	5.7
Private	1.4	9.0	9.1	2.1	2.2
Rwanda					
Yearend Debt	8.0	13.0	21.0	35.0	45.0
Official	5.0	10.0	19.0	33.0	43.0
Private	3.0	3.0	2.0	2.0	2.0
Debt Service	0.1	0.5	0.7	0.7	0.8
Official	0.0	0.3	0.5	0.3	0.3
Private	0.1	0.2	0.2	0.4	0.5
Somalia					
Yearend Debt	145.0	200.0	266.0	321.0	385.0
Official	140.0	195.0	262.0	317.0	382.0
Private	5.0	5.0	4.0	4.0	3.0
Debt Service	2.6	11.2	13.0	16.6	23.4
Official	2.0	10.8	12.2	16.0	22.9
Private	0.6	0.4	0.8	0.6	0.5
Sudan					
Yearend Debt	414.0	795.0	1,036.0	1,218.0	1,395.0
Official	299.0	461.0	542.0	622.0	722.0
Private	115.0	334.0	494.0	596.0	673.0
Debt Service	63.2	75.3	114.9	145.0	204.6
Official	36.9	37.5	41.3	58.2	68.3
Private	26.3	37.8	73.6	86.8	136.3
Tanzania					
Yearend Debt	485.0	644.0	833.0	964.0	1,065.0
Official	389.0	547.0	740.0	873.0	973.0
Private	96.0	97.0	93.0	91.0	92.0
Debt Service	30.9	30.7	36.0	45.6	49.8
Official	10.0	12.0	15.0	23.0	27.0
Private	20.9	18.7	21.0	22.6	22.8
Uganda					
Yearend Debt	181.0	199.0	195.0	224.0	245.0
Official	149.0	170.0	177.0	205.0	225.0
Private	32.0	29.0	18.0	19.0	20.0
Debt Service	15.1	14.3	23.3	17.6	21.8
Official	7.0	6.0	11.0	13.0	17.0
Private	8.1	8.3	12.3	4.6	4.8
Upper Volta					
Yearend Debt	30.0	46.0	63.0	84.0	110.0
Official	29.0	45.0	62.0	83.0	108.0
Private	1.0	1.0	1.0	1.0	2.0
Debt Service	3.0	3.0	4.0	4.0	5.0
Official	3.0	3.0	4.0	4.0	5.0
Private	0.0	0.0	0.0	0.0	0.0

Table B-9

Least Developed Countries: Comparative Food Dependency Ratios [1]

Percent

	1971	1972	1973	1974	1975	1976
LLDCs						
Afghanistan [2]	12.9	4.1	0.5	0.0	0.3	0.3
Bangladesh	7.2	10.1	13.7	9.1	10.8	7.3
Benin	8.5	13.0	4.0	0.0	3.4	8.6
Bhutan	−4.1	−4.1	−4.0	−4.0	−4.0	−4.0
Botswana	25.7	79.0	79.4	17.4	45.2	22.3
Burundi	3.5	4.2	2.0	2.0	2.5	3.0
Cape Verde [3]	98.1	97.8	87.4	97.8	89.0	62.4
Central African Empire	10.7	7.4	9.4	6.4	15.7	15.6
Chad [3]	1.3	2.0	3.7	7.6	1.6	3.2
Comoros	67.0	56.2	50.8	59.3	43.3	34.1
Ethiopia	0.8	0.1	0.2	0.0	0.0	0.3
Gambia [3]	10.7	12.4	16.5	9.2	11.2	37.5
Guinea	5.0	6.0	10.2	8.7	8.9	5.0
Haiti	7.8	9.6	13.6	12.7	13.1	15.2
Laos	7.7	9.6	7.5	5.4	2.4	12.1
Lesotho	16.3	26.4	16.7	19.8	16.2	15.7
Malawi	1.2	−1.1	−2.0	−1.8	3.1	2.6
Maldives	98.8	98.8	98.8	98.8	98.8	98.8
Mali [3]	6.2	7.6	17.5	22.0	10.3	4.9
Nepal	−7.1	−4.3	−6.6	−1.2	−1.6	−0.4
Niger [3]	−4.2	−2.7	3.6	7.8	−4.2	1.2
North Yemen	8.5	11.1	14.2	12.5	9.6	14.5
Rwanda	3.0	3.1	3.7	1.5	3.6	4.1
Somalia	36.0	17.6	13.6	12.6	47.7	31.0
South Yemen	46.1	51.7	59.0	60.3	48.7	54.0
Sudan	6.5	8.2	4.3	9.5	2.7	6.4
Tanzania	1.1	10.6	2.0	16.9	15.6	3.5
Uganda	1.8	4.1	1.9	2.1	0.4	0.9
Upper Volta [3]	2.9	4.3	4.8	5.8	1.0	3.0
Western Samoa	99.8	99.9	99.8	99.8	99.8	99.8
Other Poor Developing Countries						
Burma	−10.3	−7.2	−1.6	−2.1	−3.0	−6.5
Guinea-Bissau	41.6	29.0	37.2	36.0	17.9	22.6
India	2.1	0.4	2.7	4.7	5.5	4.9
Indonesia	4.4	5.1	9.3	6.3	5.0	8.4
Kenya	1.4	−0.4	−9.3	−3.3	−1.6	−5.8
Madagascar	2.9	3.7	5.0	4.6	5.3	5.3
Mauritania	48.3	60.9	60.3	68.9	76.3	66.6
Mozambique	14.4	−6.2	10.6	7.2	25.8	21.4
Pakistan	1.1	4.7	4.2	4.2	5.1	2.8
Sierra Leone	10.1	7.4	13.8	11.0	4.3	5.9
Sri Lanka	37.0	36.2	42.4	36.5	48.8	41.3
Togo	4.7	6.6	7.4	2.5	5.1	4.9
Zaire	30.9	23.8	32.8	32.3	36.3	40.3

[1] Cereal grain is used as a proxy for food, and dependency ratios are defined as net grain imports as a proportion of the sum of net grain imports and domestically produced grain.

[2] A negative sign denotes net food exports; other data are net food imports.

[3] LLDCs in the Sahel.

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